ANNUAL REPORT 2004/2005

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PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

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TRANSMITTAL TO THE ATTORNEY GENERAL

September 26, 2005

The Honourable Wally Oppal
Attorney General
Parliament Buildings
Victoria, British Columbia
V8V 1X4

Dear Attorney General:

Pursuant to section 25 of the *Public Guardian and Trustee Act*, I have the honour of presenting the Annual Report of the Public Guardian and Trustee of British Columbia.

This report covers the period April 1, 2004 to March 31, 2005.

Regards,

Jay Chalke
Public Guardian and Trustee

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MESSAGE FROM THE PUBLIC GUARDIAN AND TRUSTEE

"Public education and communication is an emerging need. Families, professionals and community partners have all said to us how important this is. Proactively meeting this demand is a priority for us now and in the years to come."

I am pleased to report on achievements of the Public Guardian and Trustee during 2004/2005. This has been another year of significant accomplishment in carrying out our unique role.

It has now been five years since the province partially proclaimed a package of legislation designed to modernize the historic legal framework for supporting vulnerable and incapable British Columbians who require protection and assistance with decision-making. Since that time, this office has been working extensively with community partners and other agencies to develop and implement the new social safety net while helping both existing and new clients through the transition.

Restructuring the overall service framework has included reshaping our organization. This internal change has been assisted and accelerated by the 2002 Core Services Review, which recognized the significant and expanded role of the Public Guardian and Trustee under the new framework. Furthermore, this transformation has occurred in the context of the related restructuring of the provincial health and social services sectors.

Much has been accomplished in the past year as the first phase of this transformation nears completion. We continued to meet our commitment to deliver services closer to our clients with the opening of a new office in Kelowna for adult clients in the Interior and Northern areas of the province. Together with our two regional offices, many services within the Vancouver headquarters are now delivered on a regional basis.

The Public Guardian and Trustee strengthened its relations with existing service partners such as the Health Authorities and the Ministry of Children and Family Development. We also responded creatively to the emergence of a wide range of new service partners who have or soon will have statutory authority, including the Registrar for Assisted Living, Community Living BC and Aboriginal Child Protection agencies.

We continued to vigorously represent our clients in legal proceedings of many types including historic claims of abuse. We also made progress in eliminating an historical backlog of estate files that consumes resources without generating offsetting revenue. We began to explore providing estate and trust services on a self-funding basis to clients.

Public education and communication is an emerging need. Families, professionals and community partners have all said to us how important this is. Proactively meeting this demand is a priority for us now and in the years to come. The Public Guardian and Trustee responded to the considerable public and media interest associated with high profile cases such as Baby Jane Doe in Vancouver and Terry Schiavo in the United States.

Thank you to our staff who have so tirelessly and with great dedication committed themselves to delivering services to our clients. Significant workload issues remain and future service improvements are largely contingent on addressing this long standing issue. It is time to do so. Only then will I be able to say that we are delivering the best system of Public Guardian and Trustee support in Canada for persons with disabilities, special needs, children at risk and seniors. We have come a long way but we have further to go. I am optimistic that together we will reach our goal.

I am proud of our accomplishments and look forward to continuous improvements as we deliver our vital mission.

Jay Chalke
Public Guardian and Trustee

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SIGNIFICANT ACCOMPLISHMENTS IN 2004/2005

Serving Our Clients

- Met or exceeded 29 of 32 service delivery plan targets, a 91% success rate
- Opened the second Public Guardian and Trustee (PGT) Regional Office based in Kelowna to serve Interior and Northern adult clients
- Reviewed and upgraded policies involving real property management transactions in conjunction with awarding a new contract for property management services
- Service commitments for estate and personal trust services drafted and implemented on a pilot basis
- Published the first annual Private Committee Services Newsletter "Working Together" which was distributed to approximately 2,200 private committees to inform them of related PGT activity
- Participated in class action suits and other legal claims on behalf of PGT clients
- Purchased or sold more than 100 real estate properties on behalf of clients
- Undertook a privacy review to improve privacy protections for adult clients
- Reviewed potential impact to PGT clients of legislative amendments to increase the monetary jurisdiction of the Small Claims Court
- Services to Adults division reorganized to deliver services on a regional basis
- Impact of legal aid tax decision on low income PGT clients assessed and implemented
- Commissioned an independent evaluation of PGT substitute health care decision-making services
- Conducted an extensive review of PGT warehousing services and administration of client physical assets other than real property
- Completed an analysis of implications of potential legislative amendments to transfer responsibility for children's trusts of $5,000 and less to their parents or guardians
- Began a comprehensive review of PGT activity standards as part of a review of revenues, expenses and cost allocation model
- Continued development of a Client Accounting Manual to increase efficiency and improve consistency of business processes
- Review of PGT investment processes conducted by the PGT Internal Auditor
- Implemented recent amendments to the *Estate Administration Act* permitting PGT to focus service on value-added estates by selecting those matters requiring PGT activity
- Published the fourth "Reaching Out" newsletter which was circulated to 3,500 adult clients, family and service providers

Connecting With Communities

- Hosted meeting of the National Association of Public Trustees and Guardians (NAPTG) including representatives from all parts of Canada as well as the United Kingdom, Australia and the United States
- Responded to public and media interest prompted by news coverage associated with Baby Jane Doe and Terry Schiavo
- Intensified transition planning for impact on PGT clients of the transfer of administration of services to developmentally disabled adults from Ministry for Children and Family Development to Community Living BC

- Identified emerging partnerships for delivery of child and youth services to Aboriginal clients
- Worked jointly with the Community Response Network Foundation in hosting and presenting sessions associated with the November 2004 Conference of BC Coalition to Eliminate the Abuse of Seniors (BCCEAS)
- Participated in the second annual NAPTG Canadian interjurisdictional survey of mandates and activity and led discussions with other NAPTG members to identify common measurable activities
- Initiated strategic planning on positioning PGT to respond more effectively to the needs of an increasingly culturally diverse province
- Commissioned literature review report on financial abuse by private fiduciaries
- Continued involvement with post-secondary institutions and professional organizations to increase awareness of issues associated with PGT responsibilities

Supporting Our Staff

- Continued development of PGT information technology by completing foundation work for implementation of case management and trust accounting systems
- Relocated 9% of Vancouver-based staff positions as part of restructuring associated with opening of the Interior/North Regional Office in Kelowna
- Implemented a policy to guide staff using professional translators and interpreters
- STAR Awards for outstanding performance were presented to recognize six PGT staff
- Conducted staff survey to measure staff satisfaction in key areas
- Implemented provincial public sector-wide administrative and human resources-related software programs to facilitate employee and manager self management, including Time on Line, iExpense and iProcurement
- Provided Microsoft Office 2003 and associated training to all staff

PUBLIC GUARDIAN
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BRITISH COLUMBIA

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PERFORMANCE REPORT
2004/2005

ACCOUNTABILITY STATEMENT

The 2004/05 Annual Report was prepared under my direction. I am accountable for the results achieved, the selection of performance measures, and how actual performance has been reported. The information presented reflects the actual performance of the Public Guardian and Trustee for the twelve months ended March 31, 2005. The report addresses all significant events that occurred, and decisions made, up to September 7, 2005.

The information presented represents a comprehensive picture of our actual performance in relation to our Service Delivery Plan. This report contains estimates and significant interpretive information that represents the best judgment of management.

The measures presented are consistent with the organization's mission, goals and objectives, and focus on aspects critical to understanding our performance. I am responsible for the design and operation of internal controls to ensure performance information is measured accurately and in a timely manner. Any significant limitations in the reliability of specific data are identified in the report.

The report has been prepared in accordance with the *Public Guardian and Trustee Act* and British Columbia Performance Reporting Principles as consistent with the Act. As such, it is intended for a general audience. Specific users may require more detailed information than is contained in this report.

Jay Chalke
Public Guardian and Trustee

September 7, 2005

Report of the Auditor General of British Columbia

To the Attorney General, Province of British Columbia, and

To the Members of the Legislative Assembly of British Columbia:

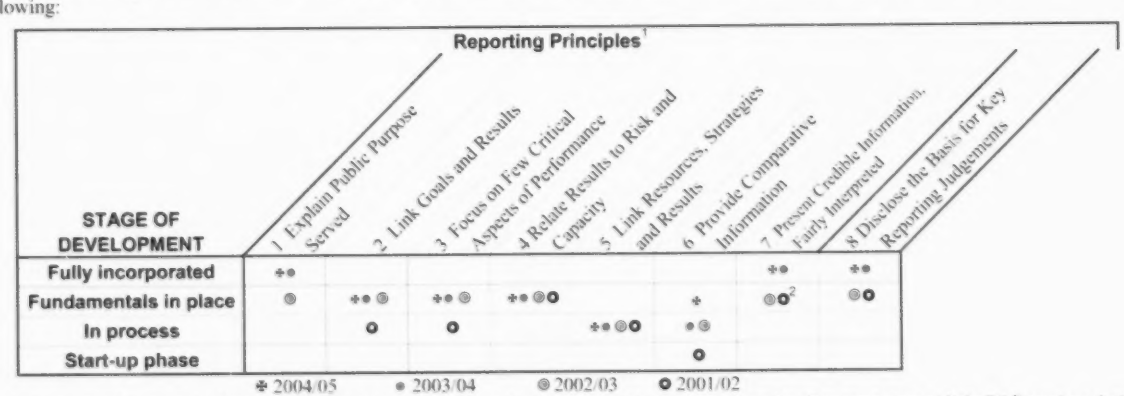
I have audited the 2004/2005 Performance Report of the Public Guardian and Trustee (the PGT) to assess the PGT's stage of development in incorporating the BC Reporting Principles in his Performance Report for the year ended March 31, 2005. The eight principles outline the characteristics of good performance reporting, and have been endorsed by the Legislative Assembly's Select Standing Committee on Public Accounts for use by public sector organizations in British Columbia. The Performance Report, contained in the PGT's 2004/2005 Annual Report, is the responsibility of the PGT. My responsibility is to express an opinion on the Performance Report based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Accordingly, I planned and performed an audit to obtain reasonable assurance concerning the extent to which the BC Reporting Principles have been incorporated in the Performance Report. My audit included examining, on a test basis, evidence supporting the amounts and disclosures in the Performance Report and assessing significant estimates underlying reported performance.

As called for by the BC Reporting Principles, the Performance Report contains a number of representations from the PGT concerning the appropriateness of his office's goals, objectives, targets, explanations of the adequacy of planned and actual performance and expectations for the future. Such representations are the opinions of the PGT, and inherently cannot be subject to independent verification. Therefore, my examination was limited to ensuring the report contains those representations called for by the BC Reporting Principles and that they are consistent with the audited performance information and financial statements.

Overall Conclusion

In my opinion, the PGT's stage of development in incorporating the BC Reporting Principles for the year ended March 31, 2005, is reflected in this table and the discussion following:



[1] The 2001/02 report was assessed against an earlier version of reporting principles. The order of these principles has been adjusted to allow comparison with the BC Reporting principles.
[2] The 2001/02 assessment specifically excluded an assessment of accuracy.

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Report of the Auditor General of British Columbia on the
2004/2005 Performance Report of the Public Guardian and Trustee of British Columbia

As illustrated in the preceding table, I believe the PGT's report continues to demonstrate progress in measuring and reporting performance. Although it does not yet comprehensively depict performance, the report fundamentally incorporates seven of the eight BC Reporting Principles, including three where a standard of excellence has been achieved. Fundamentally incorporating the one remaining principle, Principle 5, would allow me to provide a positive conclusion overall on the fair presentation of performance in accordance with the BC Reporting Principles. I hope to be able to provide such an opinion on next year's report.

Detailed Observations

My Office defined four stages of development, and established criteria for each of the eight principles. The stages of development are:

Start-Up Phase	Most significant elements have not yet been addressed.
In Process	Many significant elements have not been addressed, but progress is being made.
Fundamentals In Place	Most significant elements have been fundamentally addressed, although further improvements are possible.
Fully Incorporated	All elements have been substantially addressed – a standard of excellence.

A "Fundamentals In Place" assessment for all eight principles represents the standard I believe is necessary for a report to be ready for my Office to provide assurance regarding the fair and reliable presentation of performance. While not essential for understanding this report, detailed information concerning the criteria used to assess the stage of development for each of the eight principles can be found on our website: www.bcauditor.com.

A description of the eight principles of public performance reporting, together with my assessment of the PGT's stage of development in relation to each principle, is set out below.

Principle – Good public performance reporting should:	Assessment
1. Explain the Public Purpose Served Public performance reporting should explain why an organization exists and how it conducts its business, both in terms of its operations and in the fundamental values that guide it. This is important to interpreting the meaning and significance of the performance information being reported.	**Fully Incorporated** The report explains the PGT's public purpose, enabling legislation and mission. Core business areas, services, clients and stakeholders are described, as is the role of partners. The PGT's unique role and relation to the courts and the Crown are explained. The report describes organizational values, how they guide business and how they are embedded in the organization's operations.
2. Link Goals and Results Public performance reporting should identify and explain the organization's goals, objectives and strategies and how the results relate to them.	**Fundamentals In Place** The report provides clear linkages between the PGT's mission and mandate, goals, objectives, operations and performance measures, providing a clear chain of events. The ***relevance*** and relation to long-term outcomes are explained for key performance measures. Variances between planned and actual results are identified and explained.

Report of the Auditor General of British Columbia on the 2004/2005 Performance Report of the Public Guardian and Trustee of British Columbia

Principle – Good public performance reporting should:	Assessment
3. Focus on the Few, Critical Aspects of Performance Public performance reporting should focus on the few, critical aspects of performance.	**Fundamentals In Place** The report identifies the significance and ***relevance*** of each performance measure, although it contains a large number of measures. The internal focus of a number of these measures is inconsistent with a focus on the larger, overall picture as contemplated by this principle. However, this presentation is consistent with the PGT's interpretation of the requirements of the Public Guardian and Trustee Act.
4. Relate Results to Risk and Capacity Good performance reporting should report results in the context of an organization's risks and its capacity to deliver on its programs, products and services.	**Fundamentals In Place** The report summarizes the key risks faced by the PGT, their potential impact, and the organization's strategies for dealing with them. Current capacity is described in relation to current results and to the PGT's ability to deliver organizational goals and objectives.
5 Link Resources, Strategies and Results Public performance reporting should link financial and performance information to show how resources and strategies influence results. Related to this is how efficiently the organization achieves its results.	**In Process** The report identifies budgeted and actual financial results by program area, and explains key variances. Year-over-year comparative information is provided in the financial statements, however longer-term financial trend information and analysis would improve the report. The report does not link financial and performance information in a way that helps readers understand the efficiency and economy of operations.
6. Provide Comparative Information Public performance reporting should provide comparative information about past and expected future performance and about the performance of similar organizations when it would significantly enhance a reader's ability to use the information being reported.	**Fundamentals In Place** Actual performance is ***completely*** reported in relation to the Service Delivery Plan. ***Relevant*** economic, social and demographic information is provided for context. Current performance is graphically related to historic trends, although further discussion would enhance this presentation. In general, performance is presented ***consistently*** year-over-year. Changes in the way performance has been measured or presented have been explained.

Report of the Auditor General of British Columbia on the 2004/2005 Performance Report of the Public Guardian and Trustee of British Columbia

Principle – Good public performance reporting should:	Assessment
7. Present Credible Information, Fairly Interpreted Public performance reporting should be credible – that is, based on quantitative and qualitative information that is fairly interpreted and presented, based on the best judgment of those reporting. The information presented should strike a balance among the following attributes: consistency, fairness, relevance, reliable, verifiable, understandable and timely.	**Fully Incorporated** ***Reliable and Verifiable***: The performance data contained in the PGT's 2004/05 Performance Report has been reported accurately. The PGT has compiled sufficient and appropriate documentation to support the performance information contained in this report, except where noted. Controls to ensure the completeness and accuracy of performance have been implemented, although we do not provide assurance on the effectiveness of the control environment. We noted some opportunities to improve controls supporting performance measures, but this did not impact on reported results. ***Timely***: The report has been issued in accordance with statutory reporting deadlines. ***Understandable***: The report is reasonably concise. Narratives are supplemented by useful graphics, and specialized terminology has been kept to a minimum. ***Consistency, Fairness and Relevance***: These attributes are reported in relation to other reporting criteria, as ***highlighted***.
8. Disclose the Basis for Key Reporting Judgements Public performance reporting should disclose the basis on which information has been prepared and the limitations that should apply to its use.	**Fully Incorporated** The report provides concise explanations of how each measure is derived including, where relevant, data sources and the period covered. The process for selecting targets, and how it is evolving, is described. Any changes to how performance is measured are described, enhancing the ***fairness*** of presentation. The PGT provides an accountability statement describing his confidence in the information.

Wayne Strelioff

Victoria, British Columbia
September 9, 2004

Wayne Strelioff, FCA
Auditor General

OFFICE OF THE Auditor General of British Columbia

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA
2004/2005 PERFORMANCE REPORT

A. MANDATE, MISSION, VISION AND VALUES

1. Mandate

The Public Guardian and Trustee (PGT) is a corporation sole established under the *Public Guardian and Trustee Act*. The current Public Guardian and Trustee is Jay Chalke, appointed by the Lieutenant Governor in Council to a six-year term effective February 28, 2000.

The PGT mandate is to serve:

- Children and youth under the age of 19 by protecting their legal and financial interests,
- Adults who require assistance in decision-making through protection of their legal rights, financial interests and personal care interests, and
- Heirs and beneficiaries of deceased persons when there is no one else willing or able to administer their estates; the estates of missing persons; and the beneficiaries of personal trusts.

PGT provides services through 213.5 funded employee positions to approximately 27,500 clients and manages more than $594 million of trust assets. When managing the financial affairs of an individual, estate or trust, PGT observes prudent business practices and is bound by both common law and statutory fiduciary principles associated with a Trustee or Agent.

As a result of obligations created by statutory law, PGT exercises quasi-judicial authority in specific situations. In addition, PGT provides the Court with reliable and independent advice when the property or financial interests of minors, adults with legal disabilities, or estates, are at risk. PGT is independent of government in its case-related decision-making responsibilities.

The powers and duties of PGT are directed by numerous acts. These include:

- *Adult Guardianship Act*
- *Child, Family and Community Service Act*
- *Community Care and Assisted Living Act*
- *Employment Standards Act*
- *Estate Administration Act*
- *Estates of Missing Persons Act*
- *Family Relations Act*
- *Health Care (Consent) and Care Facility (Admission) Act*
- *Infants Act*
- *Insurance Act*
- *Insurance (Motor Vehicle) Act*
- *Patients Property Act*
- *Power of Attorney Act*
- *Public Guardian and Trustee Act*
- *Representation Agreement Act*
- *Trust and Settlement Variation Act*
- *Trustee Act*
- *Wills Variation Act*

2. Mission

The PGT mission is to safeguard and uphold the legal and financial interests of children; manage the legal, financial and personal care interests of adults needing assistance in decision-making; and administer the estates of deceased and missing persons.

3. Vision Statement

The PGT vision statement is: "Rights, choices and security for all British Columbians".

4. Values

Six major values underpin PGT work and are reflected in all aspects of its performance:

1) Client-centred service: Clients are at the center of PGT services and PGT strives to ensure that services are individualized, equitable and accessible.
2) Respect: In managing the personal and health care decision-making of adults who are unable to make these decisions themselves, PGT honours the principles of self-determination and autonomy.
3) Innovation: Staff members are encouraged to be innovative in designing support services that are the least restrictive and intrusive as possible. Court processes are used as a last resort.
4) Teamwork: Accountability to clients, their families and the public is maintained through transparency in all activities.

5) Openness: Annual public reporting on all aspects of PGT performance, as required by the *Public Guardian and Trustee Act*, ensures accountability to clients, government and the public.

6) Staff support: Staff members are acknowledged to be PGT's greatest resource. They are recognized and appreciated for their expertise and professionalism as well as their teamwork and consultation skills. PGT is committed to ongoing development and training of all its staff members.

B. ACCOUNTABILITY FRAMEWORK

PGT is accountable to the government and legislature, the public, and directly to its clients. Accountability is exercised by means of the government's review of PGT performance planning, annual public reporting on performance, annual audited financial statements and through judicial oversight of PGT statutory and fiduciary obligations to individual clients.

1. Prospective Performance Planning

Section 22 of the *Public Guardian and Trustee Act* requires that PGT prepare an annual three-year service delivery plan and deliver it to the Attorney General not later than December 31st each year. If approved by the Attorney General, the plan must be submitted to the Province's Treasury Board for approval.

The Act requires that the service delivery plan must specify for each program area, for the fiscal year about to begin and for each of the following two fiscal years,

a) the objectives of the program area,

b) the nature and scope of activities to be undertaken,

c) the performance targets and other measures by which performance of the program area may be assessed,

d) a forecast of revenues to be collected,

e) an estimate of funding required to meet the objectives of the program area, and

f) an estimate of the amount of surplus or deficit and the cash balance remaining in the operating account for each fiscal year.

There is no statutory requirement for the service delivery plan to be published, but as a matter of practice, PGT makes its service delivery plans available on its website.

2. Retrospective Performance Reporting

Section 25 of the *Public Guardian and Trustee Act* requires PGT to report to the Attorney General in each fiscal year on operations of the office for the preceding fiscal year.

This report must be provided to the Attorney General by September 30th of each year and thereafter tabled before the Legislative Assembly. It must contain:

a) Audited financial statements on the stewardship of estates and trusts under administration,

b) Audited financial statements on the operations of the Public Guardian and Trustee,

c) A statement of the extent to which the Public Guardian and Trustee has met the performance targets and other objectives established in the service delivery plan under section 22, and

d) A report from the Auditor General or an independent auditor on the statement referred to in paragraph (c).

Section 26 of the *Public Guardian and Trustee Act* requires annual independent audits of both the PGT financial statements and the PGT performance report on its service delivery plan.

It should be noted that section 22, specifies that the service delivery plan must include both "performance targets" and "other measures" by which performance of "each program area" may be assessed.

This requirement for comprehensive performance planning is in contrast to more recent trends in public performance reporting which direct organizations to focus on their "few, critical, aspects of performance". The reference to "other measures" also broadens the nature of PGT performance reporting from that associated with traditional performance measures.

3. Judicial Oversight

The majority of PGT services are mandated by statute and PGT can be held to account by a client. Many PGT functions are fiduciary in nature. Fiduciaries are legally accountable for their actions on behalf of others and judicial oversight mechanisms are highly developed.

C. PROGRAM AREAS

PGT provides services to clients through three broad operational program areas: Child and Youth Services; Services to Adults; and Estate and Personal Trust Services. These programs are in turn supported by Client Finance and Administrative Services and Legal Services. The Executive Office provides overall direction, coordination and planning, policy and communications support.

1. Child and Youth Services

PGT protects the legal and financial interests of minors and acts in the roles of Trustee, Guardian of Estate and Litigation Guardian. The 29 employees of the Child and Youth Services Division (CYS) work on behalf of and directly with children and youth as well as with their parents or guardians in ensuring that their interests are protected and well-managed.

a) Statutory Protective Services

PGT protects legal interests of minors by reviewing proposals for personal injury settlements and by reviewing notices of certain types of legal proceedings where their property interests could be affected. Where necessary, PGT participates in those proceedings or transactions to protect children's property.

As Guardian of Estate, PGT protects legal and property rights of all children and youth in continuing custody of the Province by pursuing legal claims on their behalf and by securing and managing their financial assets. PGT shares guardianship with the Director of Child, Family and Community Services and works closely with staff in the Ministry of Children and Family Development (MCFD). At March 31, 2005, PGT was the Guardian of Estate for 5,939 children.

b) Trust Services

PGT holds funds in trust for minors under a trust agreement, court order or by legislation. During 2004/05, Child and Youth Services managed trusts on behalf of 12,715 children and youth. The total value of trust assets managed by the division at March 31, 2005 was $185.5 million, with approximately $15,000 as the average value of a trust account in 2004. Trust monies received by PGT on behalf of children consist of personal injury settlement proceeds, life insurance proceeds where a minor is the beneficiary, a share of an estate where no trustee is named and also include a portion of wages earned by child entertainers. Funds are typically held in trust until the child turns 19 (the age of majority in BC) unless disbursed earlier for benefit of the child.

CYS Activities in 2004/2005

In 2004/05, the Child and Youth Services Division (CYS) focused on improving relations with MCFD, including 16 meetings with senior executive or senior regional staff, delivering 30 orientation and training sessions to 560 MCFD field staff and meeting with the MCFD Adoptions Services Branch and Licensed Adoption Agencies. It also initiated and fostered a liaison relationship with the Federation of BC Youth in Care Networks (FBCYICN), attending its quarterly steering committee meetings and annual general meeting.

The division assisted in the development of the Rights to Success (R2S) training program in conjunction with the Child and Youth Officer of BC, FBCYICN, MCFD and other youth-serving agencies. In addition, it met with Delegated Aboriginal Child Welfare Agencies and delivered training to new Aboriginal social workers. It also began the process of developing a new strategy for delivering services to Aboriginal clients.

CYS enhanced its liaison with the legal community, including continued consultation with the Trial Lawyers Association, delivery of training sessions by staff lawyers for external lawyers and for paralegals.

Human resources was another divisional focus for this year, including development of a competency framework for the Guardianship and Trust Officer, redevelopment of most staff job descriptions, and additional training for legal and other staff. Colin Elliott retired in April, 2004, after 7 years as Director of Child and Youth Services and was replaced by Ed Berry who brings an extensive career with MCFD and elsewhere, including working in child protection for the Dublin Health Board in Ireland.

BC PGT Hosts National Association of Public Trustees and Guardians Conference

The use of DNA analysis to establish heirship was one of the many topics discussed at the Biennial Conference of the National Association of Public Trustees and Guardians, hosted by the PGT, May 31 to June 3, 2004, in Victoria. Topics for the 2004 conference covered current critical and ethical considerations for public guardians and trustees. Among them were: recent trends in law reform, children and decision-making, participation in class action lawsuits by parties under legal disability, cross jurisdictional transfer of clients, investment practices, response to financial abuse of seniors and the development of a national performance measurement survey of public guardians and trustees.

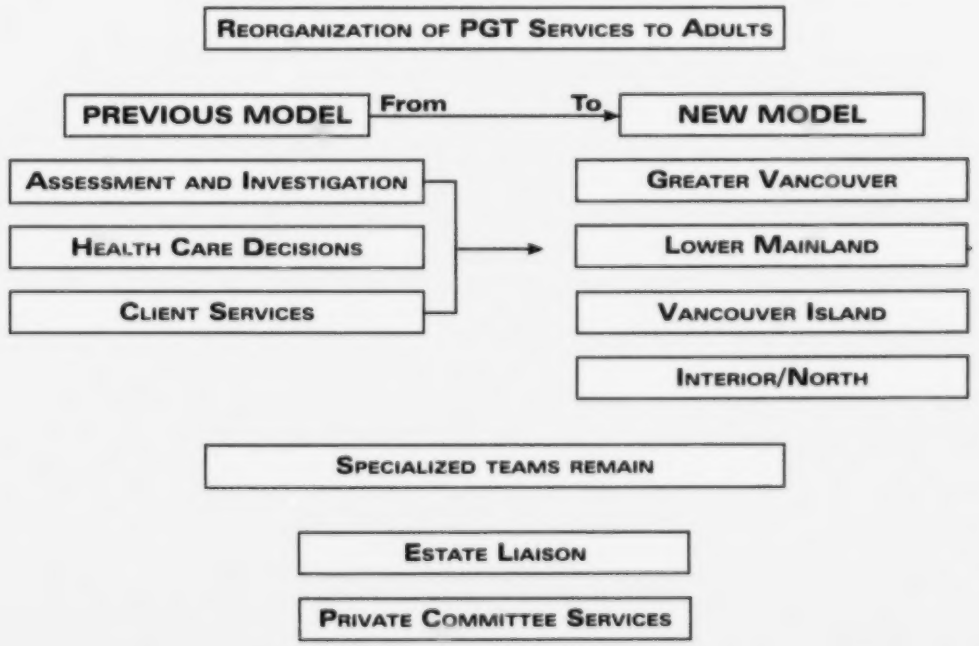
The conference was attended by public trustees and public guardians from eight provinces and all three territories as well as Northern Ireland, Great Britain and the Republic of Ireland and was well received by all.

2. Services to Adults

The Services to Adults Division (STA) protects the legal rights and personal and financial interests of adults who are unable to manage their affairs independently. The majority of adult clients rely on PGT for legal and financial management or oversight. PGT also exercises personal care decision-making for many of these clients, including health care, or a dual financial and personal care responsibility.

STA acts for adult clients when other appropriate substitute decision-makers are not available and strives to balance client independence and right of self-determination with the need for protection. Most adult clients have diseases of aging that have impaired their mental capability while others have mental illnesses, development disabilities or brain injuries. Clients live throughout the province, with the highest concentration in the Lower Mainland, Vancouver Island and the Okanagan.

In 2004/05, 93.5 employees directly delivered services to adults through four regional teams working from the PGT main office in Vancouver and two regional offices – Victoria, which serves the Vancouver Island Region, and Kelowna, which serves the Interior and North Region. The STA regional restructuring took full effect in December 2004 following the opening of the Kelowna office in September. This restructuring completes a major phase in implementing the PGT strategic direction of delivering services closer to clients.



Within the regional service delivery model, STA provides the following three major services under a range of legal authorities:

a) Assessment and Investigation

The first contact most adult clients have with PGT involves assessment and investigation in which staff respond to reports from concerned friends, relatives or professionals and assess whether PGT services are required, investigate reports of financial abuse of adults who may be incapable and consult with community and family members on possible abuse and neglect. These involved approximately 700 initial investigations in 2004/05, of which approximately 50% resulted in the individual becoming a PGT client.

b) Health Care Decisions

Under the *Health Care (Consent) and Care Facility (Admission) Act*, health care professionals must obtain informed consent before treating a patient and a substitute decision-maker is needed if the patient is incapable. In the absence of an already existing substitute decision-maker such as a Committee of Person or Representative under a Representation Agreement, the Act allows certain family members to make decisions. When these are not available, PGT is called upon to appoint another suitable decision-maker or to make substitute treatment decisions itself.

In 2004/05, STA staff made over 700 decisions and consultations, including major and minor health care decisions authorizing temporary substitute decision-makers and approving plans of care. PGT also initiated a major review of its health care decision-making activities to assess its status after five years of operation. The review project, which will continue through 2005/06, includes a policy plan, reworking of the database, training activities, evaluating quality assurance reviews and legislative proposals.

The independent evaluation involved interviews with 44 health care providers and found a high level of satisfaction with the existing process. The evaluation recommended expediting major health care decisions which are currently made within three days of receiving all information, increasing evening and weekend access and more public education. PGT is addressing the recommendations in the course of completing the broader health-care review.

c) Client Services

Services to Adults staff provide a range of financial and personal care management services for approximately 3,200 adults in vulnerable situations under a number of different roles including Committee of Estate, Committee of Person, Power of Attorney, Representative, Litigation Guardian and Pension Trustee.

When appointed Committee of Estate, STA works with the client to establish an effective plan that includes securing assets and pursuing income, benefits and compensation, paying bills and managing investments and property. As Committee of Person, PGT makes health and personal care decisions on behalf of individuals. In 2004/05 case managers served an average of 200 clients each, of which approximately 50% had liquid assets of less than $10,000.

The following two services remain centrally delivered.

a) Estate Liaison

Estate Liaison coordinates completion of STA involvement in a client's affairs and releases property under administration when service by Client Services is no longer required. This occurs when PGT no longer has authority for a client because the individual has become capable of managing their own affairs, someone else has been appointed as Committee or more frequently because the client has died. PGT has developed a number of strategies, including monthly fees, to reduce the time between the end of active committeeship and the time when a family member or other representative takes

over administration of the former client's estate. Continuing efforts to improve the speed of Estate Liaison services have resulted in reducing the proportion of files that are over two years old from 27% to 17% over the past three years.

b) Private Committee Services

Private Committee Services (PCS) monitors the activities of private committees appointed by the court to manage the affairs of adults who are unable to make their own financial, legal and/or personal and health care decisions. Committee Review Officers conduct accounting reviews and undertake investigations when concerns are reported. During 2004/05, they served 2,129 clients, an average of 473 clients per officer with average client asset values of $330,000. In 2004/05, PCS also began a comprehensive review of its policies and has initiated consideration of the potential for filing accounts electronically.

STA Activities in 2004/2005

In 2004/05, the Service to Adults Division (STA) focused on implementing its regional restructuring to achieve a long-standing PGT objective of enhanced client accessibility through more local service delivery. Regionalization was the culmination of a three year organization-wide planning process that included a corporate human resources strategy, extensive facilities activity establishing regional offices in Kelowna and Victoria and associated downsizing of the Vancouver office, and developing and implementing a comprehensive training plan.

It has also focused on completing a wide range of administrative reviews designed to ensure that current policy and standards have been applied to all client files and to identify class members for various class action lawsuits involving PGT clients. The file reviews have also determined if further PGT involvement was required or if the client could be discharged in accordance with evolving approaches to supporting independence of potential clients.

In 2004/05, the division worked with other agencies to facilitate implementation and address issues related to new assisted living legislation. It also undertook consultation and liaison with Health Authorities in their development of advanced directive materials that would be consistent with legal requirements.

Furthermore, PGT made representations on behalf of clients who are impacted by the Riverview Hospital Redevelopment Program. The division also began consultations on the provincial transition of services for developmentally disabled adults from MCFD to Community Living BC.

The Woodlands Project, which had been established to respond to allegations that former students of Woodlands School had been abused, concluded its activity with release of a report documenting its findings. The project included contacting former residents who had been identified as potential victims of injury or abuse in the work accompanying The Need To Know, a previous separate report commissioned by the provincial government. The PGT project was to ensure that the former residents had the help they needed to respond. Divisional work in this area has now moved to cooperate with the law firm involved with the Woodlands class action.

3. Estate and Personal Trust Services

PGT provides estate administration and personal trust services delivered by 29 staff in the Estate and Personal Trust Services Division (EPTS) to approximately 1,900 clients.

a) Administration of Estates of Deceased Persons

As Official Administrator for British Columbia, PGT administers the estates of persons who have died with no one willing and able to administer their estates or where the heirs or their whereabouts are unknown. In March 2005, PGT had more than 1,450 estates under administration. This is an increase of approximately 50 files when compared to the same period last year. PGT also administers estates where the heir is a client of another PGT division, such as Services to Adults, or is a child or youth for whom PGT is Guardian of Estate. In addition, PGT acts as Executor when appointed under a will. Eighteen Estate Administrators and Officers (17.7 FTEs) work in this area.

b) Personal Trusts

PGT is Trustee for approximately 310 children and adults for whom trusts have been established, an increase of almost 24% over the previous year. These trusts may be established under a will, in a trust agreement or by court order. Many people appoint a family member or trust company as trustee. Where these options are not appropriate, PGT may agree to act as trustee. Personal Trust Administrators (1.3 FTEs) carry out this mandate.

This is an area in which demand for PGT services is growing as private trust companies are often unwilling to manage trusts where the capital value is less than $500,000. PGT is now more frequently administering personal trusts on a cost recovery basis, usually for individuals who are among traditional PGT clients. In 2004/05, there was an increase of approximately 60 files in this area of responsibility, reflecting a combination of greater demand and increased PGT willingness to accept this work.

c) Litigation Representative

PGT may agree to act as Litigation Representative for purposes of a specific legal action brought against an estate where there is no executor, administrator or other person to act. PGT is currently Litigation Representative in about 40 such cases and the role is limited to accepting service on behalf of estates. PGT will take out letters of administration to administer the estate if it has assets and will deal with the litigation under that authority.

d) PGT Educational Assistance Fund

PGT provides bursaries to qualifying young adults who were formerly in the continuing care of the Province. Applicants are assessed on their grades, financial needs, career goals and other considerations. In 2004/05, there were 32 applicants, with 20 students awarded grants ranging from $750 to $1,500 of a total $19,500. Funds available are dependent on rates of investment return.

e) Estates of Missing Persons

PGT acts as Curator for persons who are missing as defined in the *Estates of Missing Persons Act*. The role of Curator is to manage the adults' property until they are located or until the funds are paid into court for safekeeping. These cases are rare and PGT is currently Curator for only one estate.

Visit the New PGT Website

In addition to reading about the PGT, visitors to the PGT's new website can now watch short videos describing the role and services of the organization.

In 2004, the PGT began work to redevelop its website. Information on the website was reviewed, updated and reorganized and a search feature was added to make things easier to find. New content including videos, publications such as newsletters for clients and stakeholders and information on other protective services was added. We were pleased to celebrate the launch of the new website in May 2005.

The main purpose of the website is to provide information about the PGT and its services and to respond to the most commonly asked questions and requests for information. In updating the website, our goal was to make it as accessible as possible for our clients and families, service providers and the general public.

Come visit us at: **www.trustee.bc.ca**

EPTS Activities in 2004/2005

In 2004/05, the Estates and Personal Trust Services Division (EPTS) experienced an increased workload in both estate administration and personal trusts. At that same time, it experienced major challenges associated with ongoing implementation of the 2002 Core Services Review recommendation that its services should move towards full cost-recovery. This has required both a concerted effort to increase revenue from fees and commissions and a firm control of expenses.

Through various revenue and expenditure initiatives, EPTS has increased its rate of cost recovery from 66% in 2003/04 to 73% in 2004/05. However, these efforts have created new challenges, particularly those associated with maintaining qualified staff amidst changing labour market conditions. Going forward, EPTS must develop strategies and identify resources to be able to develop and maintain staff qualified to successfully manage the estates of deceased British Columbians and meet public expectations around service commitments and standards.

Alaura Ross moved to a new position with PGT in November 2004, after 10 years as Director of Estate and Personal Trust Services. She was replaced on an acting basis by Eileen Mate who has had an extensive career in the trust industry, as well as previous experience in other PGT management positions.

4. Client Finance and Administrative Services

The Client Finance and Administrative Services Division (CFAS) provides both corporate and direct client services through 53 employees. Corporate services include office administration, human resources coordination, budget planning and corporate and trust accounting, information technology services and operating the mailroom and warehouse facility. Client services are provided through activities such as paying client bills, internal audit, client disbursement pre-audit, providing investment expertise and advice used in preparing client investment plans and investigating and securing physical assets on behalf of clients.

a) Information Technology

During 2004/05, the division had a major focus on continued redevelopment of the aging PGT information technology infrastructure. Key elements included the following:

- Developed further documentation of COMET, the main PGT client information system
- Completed the working model and requirements for a PGT case management system
- Reorganized the PGT data center
- Began migration to all new storage array device (SAN) technology to increase capacity and improve security and availability of client information
- Developed and implemented technology structure for the Interior/North Regional Office
- Upgraded server software to MS Server 2003 and transitioned all PGT staff to MS Office 2003 Professional software

b) Client Finance

The division has ongoing responsibility for managing client assets and in 2004/05 processed $138 million in client receipts, processed $136 million of client cash disbursements and administered $594 million of client assets.

Acquiring and managing financial investments is a significant PGT activity. By statute, PGT is required to act as a prudent investor and it applies diligent processes when reviewing and assessing clients to determine their investment goals and objectives. PGT Guardianship and Trust Officers, Case Managers and Personal Trust Administrators work with Investment Services staff to develop personalized investment plans to meet the identified client goals and objectives.

PGT has three pooled investment funds for clients – the Premium Money Market Fund, the Balanced Income Fund, and the Balanced Growth Fund. Other investment alternatives are available and include brokerage services and discretionary managed accounts. The choice of funds is determined by the investment plans which are monitored on a regular schedule based on the portfolio risk. PGT also pays close attention to the client service levels provided and the fees charged for investment services in addition to quarterly monitoring of investment manager performance.

The past year was positive in terms of investment returns for PGT client funds. For example, returns for PGT pooled funds and sample comparisons at March 31, 2005 are as follows:

PGT Pooled Funds	Comparison(s)*
Premium Money Market Fund	
▪ 3.51% (1 year)	▪ 91-day GOC Treasury Bill: 2.18% ▪ 3-year GIC: 2.0% ▪ Best chequing account interest: 0.5%
Balanced Income Fund	
▪ 6.60% (1 year); 13.31% (2 years annualized)	▪ Standard industry portfolio benchmarks: 6.24% (1 year); 12.80% (2 years annualized)
Balanced Growth Fund	
▪ 6.80% (1 year); 14.93% (2 years annualized)	▪ Standard industry portfolio benchmarks: 6.80% (1 year); 15.03% (2 years annualized)

*sources: Premium Money Market Fund – interest rate paid on PGT client account cash balances; GOC Treasury Bill – bcIMC March 31/05 quarterly report; GIC – Globe Investor Gold; chequing account – Globe Investor Gold; Balanced Income Fund and Balanced Growth Fund – RBC Global Services Benchmark Investment Analytics

While all PGT client cash balances are invested professionally in the Premium Money Market Fund, over 1,300 clients have experienced more in-depth financial planning and have had investment plans developed for them. Clients with personalized investment plans have over $25,000 of liquid assets available for investing.

c) Corporate Finance

In 2004/05, the division initiated a review of the existing PGT financial model and the internal cost-allocation model. The review arose because experience was demonstrating that higher revenue targets arising from Core Services Review might not be attained in 2004/05.

The division was also responsible for implementing a range of provincial public sector-wide administrative software initiatives designed to move the affected functions to self-managed processes away from centralized administration. These included Time On Line for payroll timekeeping, iProcurement for online corporate bill processing and iExpense for online travel claims processing.

CFAS Activities in 2004/2005

During 2004/05, the Client Finance and Administrative Services Division (CFAS) continued its upgrade of the PGT information technology platform and worked with other divisions in continued development of the Client Accounting Manual to improve consistency and service quality for clients. It also played a major role in opening the Interior/North Regional Office in Kelowna.

5. Legal Services

Legal Services are delivered by a complement of 11 lawyers distributed among the three program areas and by the Deputy Public Guardian and Trustee and Administrative Counsel. The lawyers provide advice to PGT when acting on behalf of clients in a representative capacity and deliver direct legal services to clients whose legal interest PGT has an obligation to protect. The latter activity includes providing direction to private counsel acting on behalf of PGT and a number of review functions such as the PGT statutory obligation to review applications for private committee appointments and to review settlements of claims for unliquidated damages on behalf of minors.

The visibility of PGT legal services has increased as the litigation landscape of class actions and individual abuse-related litigation has changed over the past decade. Both of these types of actions require a significant commitment of resources and typically take several years to produce an outcome. Current major litigation includes the Eugenics and Woodlands cases.

Examples of other class actions in which PGT was involved in 2004/05 included Canada Pension Plan disability lump sum payments and settlement of the Jericho Hill School class action. Such actions can involve significant resource and logistical challenges to PGT in attempting to identify class members entitled to compensation for matters that may have pre-dated involvement with the PGT.

Woodlands class action

In the Woodlands class action (W.H.M. v. HMTQ), PGT sought to lead the proposed class action because it anticipates that a significant proportion of class members will be current or former PGT clients and because it has extensive experience working with incapable adults and managing legal actions on their behalf. While the Court of Appeal ruled that another action (Richards v. HMTQ) should proceed as it had been started earlier, it said that it anticipated that PGT would play a role in the class proceeding.

PGT worked cooperatively with class counsel to support the application of the representative plaintiff for certification of the Woodlands actions as a class action. The action was certified as a class action on March 17, 2005. At present, PGT continues to work cooperatively with class counsel to advance the common issues and to prepare for the as yet unscheduled six-week trial on these issues.

Eugenics litigation

In these *Sexual Sterilization Act* cases (D.E. (guardian ad litem of) v. British Columbia), PGT advanced claims on behalf of a number of clients against the Province of British Columbia for wrongful sterilization while institutionalized at Riverview Hospital. The claim alleged that superintendents at Riverview had abused their statutory power by recommending to the Eugenics Board the sterilization of these individuals for purposes not authorized by the *Sexual Sterilization Act* (a British Columbia law in force from 1933 to 1973), that is, as an instrument of social control rather than to prevent genetically transmitted mental illness or disability.

The claims were dismissed at trial in the BC Supreme Court and the BC Court of Appeal heard the appeal of the dismissal in November 2004. In March 2005, the Court of Appeal allowed the appeal with respect to nine of the PGT clients who now have the right to new trials on the issue of liability. The appeals of six PGT clients and one private committee client were dismissed and as a result, those claims are now at end. PGT is currently in the process of setting dates for the new trials.

PGT is also involved in commenting on proposed legislation, implementing new legislation and making legislative proposals. In 2004/05, this included commenting on amendments to the *Small Claims Act* and the *Trustee Act*.

The *Small Claims Act* was amended in October 2004 by removing a $10,000 monetary limit and replacing it with a provision permitting the monetary jurisdiction to be established by regulation. The monetary limit of certain select Small Claims Registries increased to $25,000 on September 1, 2005.

PGT is currently preparing a submission to government identifying how the increased jurisdiction may impact our client base. This submission will be based on findings of an internal PGT committee that reviewed the amendment in 2004/05. For example, many of the provisions found in the Supreme Court Rules directed at protecting parties under legal disability are either not mirrored in the Small Claims Rules, or are not followed in practice in that court. With the increased jurisdiction, we expect that many more of the claims brought by or on behalf of our clients will be in the Small Claims Court.

The British Columbia Law Institute (BCLI) has proposed amendments to the *Trustee Act*. An internal PGT committee has reviewed the proposed amendments to determine how they would impact PGT clients or operations. A report will be submitted to the Attorney General in due course.

In 2004/05, PGT lawyers continued to provide training to ICBC adjusters in various locations across the province regarding infant settlement submissions. PGT lawyers also presented papers or spoke at Trial Lawyers Association of BC conferences, at Estate Planning Council meetings and at Society of Trust and Estate Planners meetings, among others.

In response to a BC Supreme Court decision that a provincial tax on legal services could not be uniformly applied, PGT developed and implemented a protocol to ensure that clients, who by the terms of the judgment are deemed exempt from the requirement to pay the tax, do not pay it.

PGT lawyers also participated on a volunteer basis in the BCLI Succession Law Reform Project headed by Peter Ramsay Q.C. and the British Columbia Law Institute. The project work is being carried out by five subcommittees and is directed at modernizing and rationalizing the laws of succession in BC. Involvement of PGT lawyers has ensured that the perspective of PGT clients is brought to this major law reform discussion.

The Deputy Public Guardian and Trustee also chairs the PGT Review Committee that considers formal requests for reviews of decisions after other administrative options have been exhausted by the applicant. In 2004/05, PGT held four formal reviews.

6. Executive Office

The Executive Office provides overall leadership, carries out non-delegated statutory duties, is responsible for access to information and protection of privacy activities, Ombudsman inquiries, coordinates interjurisdictional relations and represents the office as a member of the National Association of Public Trustees and Guardians.

The office was restructured in 2004/05 and its 5.5 staff members oversaw development and distribution of operational policies and procedures; coordinated corporate planning activities including development of the service delivery plan and performance report; and carried out both internal and external communications functions. In addition, staff were involved in public education and community development related to adult guardianship issues.

a) Access to Information and Protection of Privacy

Compliance with access and privacy legislation is coordinated through the Executive Office. PGT receives 30-40 requests for information annually under the *Freedom of Information and Protection of Privacy Act*, a number that has more than doubled in recent years, most likely due to heightened awareness of access and privacy rights because of new federal and provincial private sector legislation. The majority of requests are made by family members of PGT clients and are directed at personal information held by the Services to Adults Division.

In 2005, PGT contracted for an independent privacy compliance review of the Services to Adults Division. The review addressed all aspects of collection, use, disclosure and maintenance of personal information. Recommendations regarding records management, physical security of records, employee privacy training, policy and procedures development and use of information sharing agreements will be addressed in an implementation plan.

PGT also implemented new privacy provisions addressing the US *Patriot Act*, including an amended Privacy Protection Schedule for use with all PGT contracts.

b) Corporate Planning and Policy

In 2004/05, the Strategic Planning and Policy Coordinator addressed a wide range of activities including a focus on coordinating preliminary work associated with a review of PGT activity standards. This activity occurred in conjunction with a broader review of the financial model and internal cost allocation formula and will be a major activity in the coming year.

Activities related to improving PGT services to an increasingly culturally diverse society were another focus. Recommendations of a 2003 report on communications and linguistic diversity were implemented in the context of a broader developing strategy for responding to changing provincial demographics, primarily associated with immigration. A commissioned report has recommended both specific steps to be implemented and a planning process for longer term change and these will be initiated in the coming year.

In addition, the coordinator facilitated the BC response to an international survey of public guardianship and trustee standards that was undertaken by the counterpart agency in New South Wales, Australia, to assist in developing its own standards. Findings of this survey will be reviewed for applicability to PGT.

Research was another area of activity, including commissioning an extensive literature search regarding the extent of abuse of legal authorities such as powers of attorney. The report found numerous studies that identified somewhat consistent levels of abuse in a number of jurisdictions. Further research will be undertaken on related issues such as incidence of misappropriation or mismanagement of funds belonging to minors.

The coordinator also facilitated a web-based stakeholder survey conducted by BC Stats on behalf of PGT. The survey found that timeliness of PGT service was no longer the major concern and that while specific issues remain, stakeholders were generally satisfied with PGT. It also reported that all sectors of stakeholders wanted more public education and communications activities regarding both the role of PGT and issues related to PGT responsibilities. The survey was the first step in a series of consultations to occur in the coming year in conjunction with development of the 2006-2009 Service Delivery Plan.

c) Adult Guardianship Operational Support

In 2004/05, adult guardianship support activities focused on continued education of public and partners regarding status of the partially proclaimed statutory framework, related roles and responsibilities, coordination of efforts to deliver services, relationship-building, planning and extensive education and communication activities regarding issues of abuse, neglect and self-neglect.

Improving Response to Adult Abuse and Neglect

In 2004/05, PGT activities included:

- teleconferences with Designated Authorities under Part 3 of the *Adult Guardianship Act* for problem-solving and information-sharing relating to abuse, neglect and self-neglect
- delivering legislative information sessions in Prince George and Victoria
- consulting with Aboriginal groups and First Nations Health Liaison staff in the Health Authorities regarding abuse, neglect and self-neglect response in Aboriginal communities
- restructuring the Abuse and Neglect Planning Group to function as a provincial clearing house of information about responses to abuse and neglect and as a planning group to develop responses to systemic issues, in addition to its former role of advising on adult guardianship implementation and recommending legislative amendments
- facilitating comments on proposed policy and procedures for the new Registrar of Assisted Living when responding to reports of abuse and neglect in an assisted living residence
- working with Designated Authorities to identify difficulties in responding to financial abuse, limited response from police regarding financial abuse, and to recommend amendments to adult guardianship legislation, including care facility admission provisions
- participating on advisory committees for the Older Women's Project with the BC-Yukon Society of Transition Houses, and the BC Coalition to Eliminate the Abuse of Seniors, Community and Justice System Working Together as Partners
- providing office space and teleconferencing support for the BC Foundation to Support Community Response to Adult Abuse and Neglect

d) Communications

In 2004/05, the Communications Coordinator coordinated development of ongoing and new publications including newsletters and brochures; release of key documents such as the Woodlands Project Report; response to media and public inquiries regarding topics such as Baby Jane Doe, Terry Schiavo and major lawsuits; and continued work on a full redevelopment of the PGT website.

The coordinator also expanded the PGT mailing list to encompass major multilingual publications, including making a preliminary approach to them by providing information and offering more comprehensive briefings regarding PGT and its activities. During the year, PGT increased availability of its publications in other formats including audio and large print documents on the website.

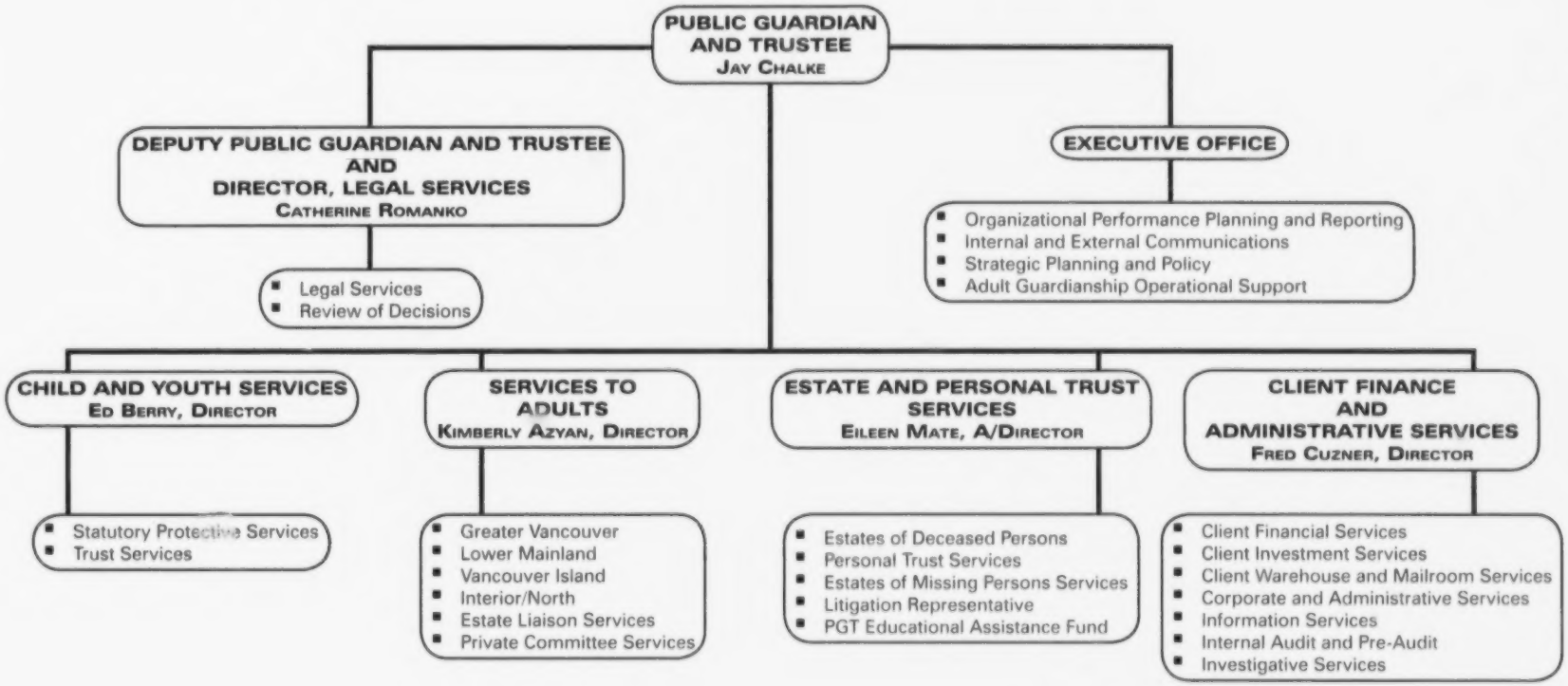
7. Corporate Activities

Many PGT activities involve cross-divisional efforts with processes tailored to specific legal and program requirements. However, in 2004/05, the organization established a review of all policies relating to real property as a priority in conjunction with awarding a new three-year property management contract.

All related real property policies and procedures were reviewed and most were upgraded. In addition, the real property policies were determined in most cases to be corporate in nature, replacing divisional variations. Key policy directions were established such as when it is appropriate to sell client real property. Manuals were updated and staff were trained in the new policies. A risk analysis of insurance options was also initiated and will be concluded in 2005/06.

8. Organizational Chart (as at March 31, 2005)

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA



A Happy 100th Birthday!

In August 2004, we had the privilege of wishing Happy 100th Birthday to one of our Vancouver Island clients. Our client had been living independently until 2003 when she moved from her apartment to a care home with nursing staff. She is an accomplished classical musician who performed on CBC radio and in front of audiences. Over the years, she had lost contact with her family members.

PGT staff worked with the care home staff to organize a special 100th birthday celebration. Through their efforts, they were able to locate family who were able to make the trip from another province to reunite and join in the celebration.

"It was so nice to see our client, her family and her friends at the care home having a good time and it was an honour to join in the celebration and congratulate her on this tremendous achievement."
- Norm, PGT Case Manager

D. CONTEXT FOR 2004/2005 PERFORMANCE RESULTS

1. Introduction

As described in the Accountability Framework, PGT annual reports are based on results of the first year of each three-year service delivery plan (SDP). The 2004/05 Annual Report reports on PGT performance in Year 1 of the 2004-2007 SDP.

Many factors contributed to development of the 2004-2007 SDP and still others affected the results presented in this report. Some are external to PGT while some are related to internal capacity and known risks. The following discussion describes the context in which this report developed and the many forces that influenced it.

2. Development of PGT Goals, Objectives and Performance Measures

There are six goals set out in the approved 2004-2007 SDP. They are:

1. Property and financial interests of PGT clients will be well managed.
2. Personal interests of PGT clients will be protected.
3. Statutory protective and monitoring services will be delivered in an appropriate, timely and fair manner.
4. PGT will contribute to public awareness, policy issues and law reform initiatives to promote the interests of its clients.
5. PGT will improve its ability to deliver effective and efficient services to clients.
6. PGT will maintain a work environment that attracts, develops, values and empowers staff to deliver quality service.

PGT is a client-centred organization that improves the lives of its clients by providing protective and fiduciary services to them. Clients experience rights, choices and security through protection of their legal, financial and personal interests. The goals reflect specific areas in which PGT can act to improve quality of clients' lives.

a) Goals

The development of PGT goals reflects an approach to planning and measuring performance that takes into account the outcomes that truly matter in fulfilling its mandate. For PGT, these are the well-being of its clients, prudent management of client affairs, efficiency of its operations, and effectiveness of staff members.

Each of the six goals is related to one or more of these outcomes. Goals 1, 2 and 3 deal directly with work that PGT undertakes on behalf of clients. Goal 4 concerns both clients and organizational effectiveness, Goal 5 is directed to internal operations and Goal 6 concerns PGT staff. It should be noted that most PGT work deals with property and financial management. As can be seen on the following chart linking the goals and objectives, Goal 1 has the greatest number of associated objectives and touches almost every area of the organization.

PGT SERVICE DELIVERY PLAN 2004/2005

Mission

- Safeguarding and upholding the legal and financial interests of children
- Managing the legal, financial and personal care interests of adults needing assistance in decision-making
- Administering the estates of deceased and missing persons

Goals	Objectives
1. Property and financial interests of PGT clients will be well managed	a. Decisions regarding disbursements from children's trusts will be made in a timely manner b. The entitlement of children in care to financial benefits and the existence of legal claims will be identified and acted upon in a timely manner c. Property interests of Committee of Estate clients will be identified and secured d. Clients' property and assets will be managed in a timely, efficient and prudent manner e. Administration of former clients' affairs will be completed in a timely manner f. Deceased clients' property will be secured in a timely manner g. Estate distributions will be made to heirs and beneficiaries rather than being transferred to the BC Unclaimed Property Society h. Estates under administration will be concluded in a timely manner i. Client investments will be managed prudently j. Appropriate controls over client assets will be ensured
2. Personal interests of PGT clients will be protected	a. The personal needs of children awarded significant funds for cost of care, or for whom ongoing maintenance has been approved, will be protected b. PGT will protect the personal and health care needs of clients for whom it acts as Committee of Person c. Health care decisions made in a high quality and timely manner
3. Statutory protective and monitoring services will be delivered in an appropriate, timely and fair manner	a. Settlement reviews of children's legal claims will be carried out in a timely and high quality manner b. PGT will take steps to protect the assets of adults at risk for abuse, neglect and self-neglect c. PGT will focus monitoring services of Private Committees by performing a risk assessment of all received accounting submissions and by giving priority to high risk client situations d. Private Committee reviews will be completed in a timely manner
4. PGT will contribute to public awareness, policy issues and law reform initiatives to promote the interests of clients	a. PGT will make relevant, useful and affordable recommendations to government for law reform affecting clients b. PGT will promote an understanding of its role among stakeholders and the public
5. PGT will improve its ability to deliver effective and efficient service to clients	a. PGT will meet client expectations for quality services b. PGT services will be equitable and accessible c. Mission critical information technology systems and processes will be maintained and enhanced d. Client service will be delivered in accordance with established standards and policies
6. PGT will maintain a work environment that attracts, develops, values and empowers staff to deliver quality service	a. PGT rewards, recognizes and values its employees and fosters an environment of continuous individual and organizational learning

b) Objectives

Objectives identified in the SDP serve several functions. They interpret and make visible the meaning of the goals as they relate to specific aspects of PGT work; they identify key areas of performance; and they point to certain desired results in achieving the goals. The selected performance measures reflect PGT best efforts to identify aspects of its performance that are most directly related to fulfilling the stated goal and still capable of being measured.

Selecting objectives and performance measures is particularly challenging for PGT because in most instances, the PGT contribution to outcomes is contributory rather than causative. For example, PGT improves the quality of life for children by approving legal settlements under $50,000. This helps children by protecting their legal rights while also providing a mechanism for the resolution of their legal claim without having to wait until they become an adult. However, outcomes for these children are influenced by many other factors.

c) Performance Measures

In selecting objectives, measures and targets, PGT acts in accordance with underlying assumptions that flow from its major values. Many of the PGT clients are among the most vulnerable members of our society and PGT contributes to their well-being. All PGT activities are significant to clients, their family, friends, caregivers or heirs. Factors including accessibility, timeliness, empowerment and accuracy are important to client well-being. Other factors include the need for client, stakeholder and public confidence in PGT expertise.

Many targets are driven by external considerations such as legal requirements (e.g. fiduciary obligations); may be benchmarked against private sector standards (e.g. investment returns); may be driven by safety issues (e.g. investigations in high risk situations); or may reflect a balance between service demand and resources in a largely self-funding environment.

Due to the planning and reporting cycle, targets reflect PGT assessment of appropriate attainable service levels based on its best judgment at the time they were established 18 months previous in the service planning cycle. The process is evolving and PGT is coming closer to establishing the most appropriate service levels. Results are continually assessed to determine if measures should be continued, targets should be increased or if resources could be reassigned to other service areas. The performance measures are set out in the detailed table of results beginning on page 34.

3. Role of PGT Mission, Vision and Values

The PGT Mission, Vision and Values are reflected in all aspects of its service delivery. In some cases, they are expressed in the philosophic approach that PGT staff bring to their work, such as ensuring that clients participate in decision-making about their lives to the greatest possible extent. In other cases they are expressed in formal policies and structures, such as the STAR Award program which recognizes excellence in work performed by staff and staff teams at all levels.

Much of the PGT mandate is to serve clients who do not have family or friends able to assist them. As a result, few PGT clients have come to PGT for service as a matter of choice. Many clients, particularly those in Services to Adults, are disadvantaged by mental illness, infirmity or separation from family or friends. All have experienced a loss of personal and/or financial autonomy. PGT must carefully balance its statutory responsibility to provide protection with its vision of rights and values of openness and respect for clients. Staff must make important decisions about how far they can go to respect a client's wishes even when those wishes do not appear to be in the client's interests.

PGT continually seeks new ways to improve its delivery of public services. Ensuring fair and consistent treatment of clients as well as staff through the use of written policies developed on an organization-wide basis, providing opportunities for feedback from staff and clients, and seeking new and innovative ways to communicate with and involve clients, stakeholder groups and external partners in PGT service delivery have all produced measurable improvements in PGT performance.

PGT activities have a cumulative and contributory impact on improving the quality of clients' lives according to the specific client group and nature of the activity. Children and youth benefit when PGT acts to maximize their funds held in trust while still allowing appropriate disbursements. Adult clients benefit when PGT makes sustainable arrangements that respect client wishes to the extent possible while also managing their financial affairs and acting to maximize resources available for their needs. Heirs and beneficiaries benefit by receiving funds to which they are entitled after PGT has identified and located them and related assets.

Clients benefit from the PGT approach to providing maximum empowerment of clients. PGT contributes to efficiency of the social services, health, legal and justice systems by ensuring consistency, facilitating care and decision-making, providing experienced, objective reviews and taking protective measures on behalf of clients.

4. Societal Trends Affecting PGT Services and Mandate

A number of significant societal trends affect the work of PGT:

a) Changes in Population Demographics

This factor continues to be the single most important societal trend affecting PGT with the impact felt both in the aging population and in the increasing diversity of PGT clients. The proportion and number of seniors continues to increase as people live longer due to advances in public health, medical technology and nutrition. Increasing immigration and associated family reunification has added significant complexity to providing services in a multilingual, multiethnic environment.

PGT has a large proportion of clients who are affected with diseases of aging. Seniors, particularly those over age 85, are the fastest growing segment of BC population. A national study has predicted that nearly 14,000 new cases of dementia will be diagnosed each year in BC as the population ages. PGT services will be affected as a larger proportion will need care and support for health care and financial decision-making as well as estate and personal trust services.

The impact of this growth in the proportion of senior clients intersects most other trends affecting PGT, such as restructuring of the health and social services sectors, a disjointed legislative framework, increased immigration, the need for informed consent, growing awareness of elder abuse, increased potential for abuse, neglect and self-neglect, and lack of societal consensus regarding application of new medical technology available at the end of life.

The general population is more mobile, with the result that families are widely dispersed and local family supports, particularly for the elderly, may not be available. Immigration factors and population mobility within Canada can also make it difficult to locate family members when required, and also heirs and beneficiaries.

b) Impact of Disjointed Legislative Framework

The legislative framework governing PGT is a mixture of old and new legislation with contradictory policy objectives and resultant significant gaps in coverage. This has developed over time as newer statutes have been developed with provisions that have been more consistent with modern approaches to substitute decision-making while older statutes passed many years ago embodying different philosophies have remained in effect.

This situation results in considerable confusion among both public and professional practitioners such as doctors and lawyers. It also negatively impacts clients as PGT may be unable to respond to their needs with as much flexibility as it wishes. Lack of some statutory provisions such as those governing admission to health care facilities results in an environment in which caregivers and families may be at risk for taking necessary protective actions without express legal authority.

c) Changing Emphasis in Legal Actions

Canadian society has become increasingly litigious over the past few decades and this has had an impact on PGT both in terms of its participation in various legal proceedings and in an enhanced concern with risk management.

Among other changes, BC has seen an increase in lawsuits relating to forms of injury suffered in institutionalized settings. As a result, PGT has been involved in various legal actions on behalf of clients who were resident in those institutions at the time the injury was alleged to occur.

The advent of class proceedings legislation has increased potential for lawsuits to be brought on behalf of plaintiffs, including those under disability, and has raised expectations that PGT will determine which of its clients are class members. This applies whether or not PGT is acting for the plaintiffs directly. In a ruling related to the Woodlands class action, the court ruled that although another party was bringing the action, it expected that PGT would be involved to a significant degree.

While PGT has always emphasized risk management in accordance with its role as a fiduciary, the importance of this focus has been underscored by the growing societal tendency to seek legal redress for service quality issues.

d) Heightened Focus on Self-management

The growth of a rights conscious society in which individual rights are emphasized has its counterpart in a public movement towards promoting self reliance and self management. These movements will increase in significance for PGT as the "baby boom" generation becomes its clients with their expectations of increased accountability at the organizational level combined with participatory decision-making at the client level supported by provision of information.

In the PGT context, key factors will include continued emphasis on structuring its administrative discretion, emphasizing due process and using more oversight and accountability tools to ensure that respect for client rights can be demonstrated. This increases the requirement for staff training and for maintaining clear, current policies. The need for increased access to information will also require PGT to organize its information technology to respond effectively to this demand.

This trend highlights the need for effective public education and information relating to areas of PGT responsibility such as incapacity planning as part of a demand management strategy. It also highlights the importance of developing strong partnership relationships with other service providers to achieve maximum efficiencies in areas of overlap.

e) Growing Recognition of Abuse and Neglect of Adults

While society's recognition of abuse, neglect and self-neglect of adults in vulnerable situations is still in its early stages, there is increasing appreciation of the impact of such abuse. Proclamation of Part 3 of the *Adult Guardianship Act* in 2000 has reinforced public expectations that PGT will be actively involved in working with communities to prevent or reduce incidence of abuse.

PGT has facilitated development of Community Response Networks and of the BC Foundation to Support Community Response Networks to Adult Abuse and Neglect. The Services to Adults Division has also been affected, particularly in its assessment and investigation responsibilities. In these, PGT works with Designated Agencies under the *Adult Guardianship Act* (the five regional health authorities, the Ministry of Children and Family Development and as of July 1, 2005, Community Living BC) to respond directly to reports of abuse, neglect and self-neglect.

There is also growing awareness of the financial dimensions of this abuse. In 2004/05, PGT commissioned an extensive literature review of materials relating to abuse of powers of attorney. This report documented numerous studies that demonstrated a largely consistent reporting of abuse associated with these legal authorities.

f) Planning for Future Incapacity

The movement to encourage individuals to actively plan for future incapacity is becoming a significant trend in BC as people become more aware of the personal and financial advantages of undertaking the responsibility to plan for their future. This interest has been heightened by intensive public interest in the Terry Schiavo case in the United States.

BC has enacted legislation governing representation agreements and health care decisions and has broadened authority of legal representatives to make investment decisions. The Law Society of BC has partnered with a society and a private company to provide an on-line registry for powers of attorney and representation agreements that is available to registered access users on a 24-hour basis. The BC Medical Association has encouraged British Columbians to work with their physicians to create representation agreements.

This movement may ultimately shift PGT workload from direct financial management to investigative and protective functions. However, in the short and medium term, the increased emphasis on formal legal authority will likely increase pressure on PGT until private personal incapacity planning is adopted on a widespread basis.

The advent and wide use of medication to treat persons with mental illness and development and use of medical technology near the end of life are two related major health care trends that affect PGT services. The growing emphasis on informed consent applies to all health care services, but is particularly significant in these areas. The lack of social consensus in these areas of emerging medical technology will continue to add complexity to PGT activity as a substitute decision-maker.

g) Changes in the Financial Industry

The deregulation of the financial sector a decade ago has caused financial institutions to examine profitability of trust and estate services and as a result, to concentrate on more wealthy clients.

Most financial institutions have increased minimum capital thresholds and minimum capital and ongoing management fees. This has resulted in more pressure on PGT to provide professional estate or trust services for people of modest means who cannot obtain the services elsewhere. These trusts are most frequently for the benefit of individuals in PGT traditional client groups.

5. Other Factors Affecting PGT in 2004/2005

During 2004/05, a number of broader governmental initiatives and other legal developments directly affected PGT work and operational capacity. These include:

a) Restructuring of the Health and Social Services Sectors

PGT is a small organization with extensive responsibilities. Most of its clients have very limited financial resources and PGT is a last resort agency for them. Continued restructuring of the BC health and social services sectors has had, and continues to have, a direct impact on PGT workload. PGT staff must spend more time identifying and maintaining a range of appropriate service providers for clients.

Operating within a restructured service environment, PGT must be more closely involved with individual clients to ensure that the services delivered meet their particular needs. It must also develop and maintain a broad awareness of available community services and engage in considerable partnership activity.

The inconsistency of available community mental health supports contributes to the periodic inability of some clients to manage their property and results in repeated certifications under the *Patients Property Act*. While less well known than the *Mental Health Act* counterpart, this "revolving door" can also result in multiple short-term interventions.

Service providers are themselves under expenditure pressure. Some have focused services and therefore are unable to assist clients with a range of needs beyond their specific service. For PGT clients, providing this service falls to PGT. Additional resources have not been made available to fund this increased PGT public service workload and client finances are unable to meet the cost of service.

b) Growing Importance of Partnerships

Positive well-informed relationships with service partners are becoming both increasingly important and more complex and time-consuming to develop and maintain as the service-provider community continues to evolve. For example, responsibility for services to developmentally disabled adults will change over time starting in 2005 when responsibility is transferred from MCFD to Community Living BC. The creation of the Registrar of Assisted Living and the increased emphasis on that sector presents new relationships for PGT to build and maintain. The growth of Aboriginal Services also presents many new relationships for PGT.

A stakeholder survey found that service providers want a closer relationship with PGT and consider that extensive public education and information is needed. This need includes both education with respect to PGT and to related subjects such as adult guardianship, incapacity planning and protection issues.

c) Revenue Issues and Fiscal Model

PGT operates in an environment that is subject to considerable volatility in both revenues and demand for services and has limited capacity to influence or buffer the impact. Revenues are impacted directly by market conditions and rates of return on investments. Demand for services is related to demographics, availability of alternatives to PGT services, court decisions and the range of services provided and decisions made by other organizations.

These pressures are further compounded by PGT legal obligations and budget inflexibility. For example, access to the PGT Special Account is limited so it cannot act as a buffer to budgeted variances without impacting expenditure levels as approved by Treasury Board.

The combined impact of uncertain weakened financial markets that reduced commissions dependent on interest rates and improvements in client service that decreased the length of time client assets are administered have negatively impacted PGT revenue. Due in part to this revenue volatility, and to its inflexible funding structure, PGT has undertaken a review of the principles and underlying assumptions about the manner in which it derives its revenue.

PGT currently follows the traditional model for compensating fiduciaries in that its fees are primarily income and asset-based. However, this may not be the most appropriate model for the PGT client base, which has significantly less assets and can be administratively more complex than those clients managed by private sector financial institutions. This asset-based model also subjects PGT to external factors that impose an unnecessary and excessive degree of

volatility, complexity and cost of administration. While these factors are beyond its control, PGT continues to face a relatively stable underlying client base.

Since the 2002 Core Services Review, PGT has been moving to a cost allocation model in which each specific line of PGT services is operated on one of three bases. These include estate and trust services which will be fully cost recovered, monitoring services which will be funded through a blend of shared cost recovery and public funding, and public services which will be fully public funded. This would eliminate the present situation in which there is cross-subsidization across program lines.

PGT has embarked on a long term process to identify and review its client-related service standards and related budget implications and will be continuing to refine fees and commissions as well as seeking changes to public funding amounts and allocations that will allow it to meet its legal obligations and performance targets as approved by the Attorney General. The impact of proposals for a revised fair fiscal model would be felt in coming years.

6. Risk Management

PGT acts in a broad range of fiduciary, statutory and court ordered roles. Because of the associated legal risks, almost all PGT operations are designed to incorporate appropriate risk management practices. These include investigative work in conjunction with case management, financial controls, approval processes and physical security, such as use of a vault, safety deposit boxes and secure warehouse storage.

During 2004/05, PGT effectively managed a number of both general and specific risks related to achieving the goals, objectives, performance targets and other measures set out in the service delivery plan and there were no significant events. The following table summarizes PGT risk management activities.

Access to PGT Services Improved for Interior and Northern BC

In September 2004, the PGT opened the new Interior-North Regional Office in Kelowna, demonstrating its continued commitment to provide accessible, personalized service throughout British Columbia. Over the past year, staff have appreciated the warm welcome to the community and opportunities to work more closely with clients, their families and local service providers.

Staff working from the Kelowna office serve approximately 800 adult clients and their families who live in the Interior and Northern BC. Services include assessment and investigations, health care decisions and financial, legal and personal decision-making services for adults who require assistance.

PGT Risk Management Activities

Situation	Potential Risks	Risk Mitigation Strategy
o Limited resources are available to meet the demand for PGT services	o Current service standards could be sacrificed o Backlog reduction efforts could fail	o Reasonable and sustainable performance standards seek to balance current demands with elimination of historical backlog o Available in-year funds are applied in small focused efforts to advance backlog reduction
o Legislation requires PGT to consult to the extent possible with the adult prior to making a substitute health care decision	o PGT could fail to identify all the factors relevant to making a substitute health care decision on behalf of an incapable adult	o Timeliness standards for carrying out the role of Temporary Substitute Decision-Maker balance the risk of delay in treatment for the adult with time needed to properly gather information o Policies have been created to guide staff on when face-to-face consultation is needed
o PGT is legally liable in the exercise of its statutory and fiduciary responsibilities	o PGT could fail to identify and protect financial or legal interests of a client in a timely manner o PGT could mishandle client trust funds o PGT could inappropriately disclose personal information	o Timeliness standards for securing property and reviewing legal and financial claims reduce the risk of loss related to possible negligent performance of duties, missed deadlines or limitation periods o Appropriate accounting and trust management controls are developed to protect client funds against loss from mismanagement or negligence o Policy has been implemented to protect client personal information
o The interests of PGT clients are affected by a broad range of regulatory and statutory provisions	o Policy changes could be made that potentially harm legal, financial or personal interests of PGT clients	o PGT consults with relevant governments about the impact of potential changes to legislation and programs o PGT makes public education materials available to clients and related service providers so that they may take steps to protect their own interests
o PGT staff are experiencing a rapidly changing work environment related to changes associated with public sector restructuring and PGT focus on service improvement	o PGT staff could fail to use newly developed policies and procedures	o Managers ensure that all staff receive a minimum number of training days o PGT staff are surveyed and asked whether they believe they have the training necessary to do their jobs o PGT has implemented a "key policies" strategy
o PGT is dependent on access to electronically stored information and data in order to carry out its duties	o Fire and earthquake damage to PGT offices could destroy critical information	o A disaster recovery program is in place providing daily back-up of electronic information to an off-site location and ability to deliver services from off-site

In 2004/05, PGT undertook a comprehensive review and upgrading of its real property policies and procedures in conjunction with awarding a new contract for property management services. A parallel risk analysis of property insurance requirements was initiated in the context of ensuring that client interests are protected in an appropriate manner. This analysis will be completed in 2005/06.

PGT continued to move closer to implementation of newer case management and trust accounting software although supplier deficiencies have temporarily disrupted transition to a new technology platform. In 2004/05, PGT also completed its first computer/service disaster recovery test and a security review of the PGT internal and independent computer network. No major deficiencies were identified.

PGT has continued to improve its organizational capacity to manage ongoing risks to its service delivery goals and objectives through continued reduction in historic backlogs in Estate Liaison and Estate and Personal Trust Services. As backlogs decrease, resources can gradually be redirected to the present workload which will prevent future backlogs from developing.

7. 2004/2005 Performance Results

In 2004/05 PGT met or exceeded its target for 29 of 32 (or 91%) of its performance measures. Comments related to data and use of comparative information are discussed below. Specific performance details related to each measure are provided in the table following.

a) Source Data

During 2004/05, PGT maintained clear documentation of the process of collecting and reporting on data supporting its performance results which has contributed to ensuring consistency and reliability in reported results. PGT continues to face resource challenges associated with manual data collection pending development of enhanced information technology including a full case management system.

PGT continues to review its performance on a quarterly basis both to manage performance and also to identify concerns with data collection and reliability. PGT uses spot checking, cross-referencing data sources and checking new reports against prior versions for consistency, to test reliability of results.

In reporting on performance results, PGT rounds to the nearest full number. However, it does not round in circumstances in which rounding would leave the impression that a target had been reached when it had not.

b) Comparative Information

PGT is a unique organization without private sector comparators and with limited comparability to public bodies in BC and other jurisdictions. Because of its responsibilities, mix of services and unique legal status, its access to generally accepted service standards is limited. Public Guardian and Public Trustee agencies in other provinces each have some responsibilities and services or elements of them in common with PGT, but none have the same mix.

A 2004/05 survey of mandates of other Canadian jurisdictions found that while most had a number of basic public services in common, they differed significantly in important particulars. Also, in several jurisdictions, functions were delivered by at least two separate offices, usually a Public Guardian and a Public Trustee. Further, no other Public Guardian or Public Trustee has yet carried out comprehensive public reporting on the degree to which specific performance measures were achieved.

PGT has initiated discussions with other jurisdictions on developing a limited range of benchmarks for use at the national level which may inform how PGT will measure performance in future. While progress on establishing targets will be very gradual because of the significant differences between jurisdictions, agreement was reached in 2004/05 on a small number of activities that will be tracked. PGT will reassess its targets as interjurisdictional standards are established.

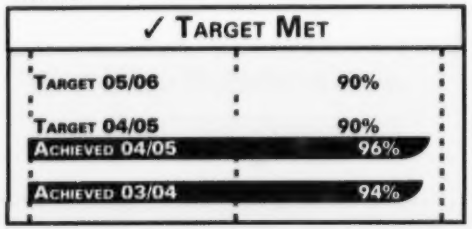
For 2004/05, PGT is able to make comparisons to its own past performance using information reported in Annual Reports. While some measures have changed or been newly introduced during this period, the available comparative data has become more substantial each year and has been used in several instances as a basis for modifying performance targets and/or changing measures. Particulars are described in sections relating to the specific measures.

8. Performance Details

GOAL 1 PROPERTY AND FINANCIAL INTERESTS OF PGT CLIENTS WILL BE WELL MANAGED

Objective

a. Decisions regarding disbursements from children's trusts will be made in a timely manner.



Benefits children and youth by allowing appropriate disbursements while applying necessary controls to maximize funds for their future

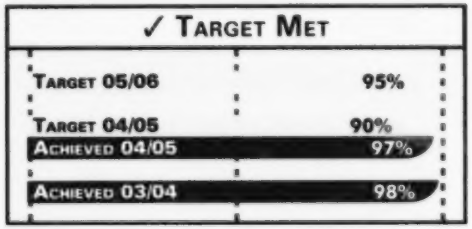
Performance Measure and Target

i. Percentage of decisions regarding disbursements from children's trusts excluding real estate and maintenance completed within 15 days of the guardian or client's request. Target – 90%

A major responsibility of Child and Youth Services is managing trusts where a child or youth is the beneficiary. As part of this role, Guardianship and Trust Officers consider client requests to spend some of their trust monies. Unlike a bank account, however, monies held in trust are subject to a number of spending restrictions designed to protect the client. Guardianship and Trust Officers must determine whether the request falls in or outside these restrictions, while still providing a timely response. In most cases, it is reasonable to expect a request to be decided within 15 days. In 2004/05, out of 3,499 decisions, 3,358 (or 96%) were completed within 15 days of the guardian's or client's request.

Objective

b. The entitlement of children in care to financial benefits and the existence of legal claims will be identified and acted upon in a timely manner.



Improves well-being of children and youth by protecting their legal rights while also satisfying PGT legal obligations as fiduciary

Performance Measure and Target

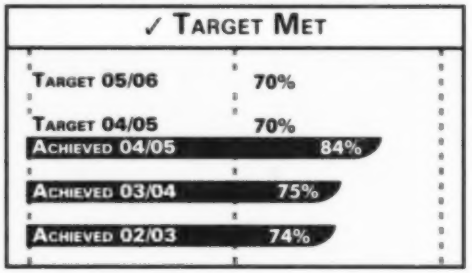
i. Percentage of cases where PGT is Guardian of Estate where financial entitlements and legal claims are identified and acted upon within 60 days of being notified by MCFD. Target – 90%

The PGT must identify any outstanding financial entitlements or legal claims of children for whom it is Guardian of Estate and commence appropriate action before limitation dates or application deadlines affecting those claims expire. The measure had initially established six months as an appropriate target for the investigation and commencement of needed action and this was reduced to 60 days based on experience. In 2004/05, out of 6,373 files, 6,170 (or 97%) were acted upon within 60 days.

GOAL 1 PROPERTY AND FINANCIAL INTERESTS OF PGT CLIENTS WILL BE WELL MANAGED

Objective

c. Property interests of Committee of Estate clients will be identified and secured.



Improves quality of life for incapable adults by developing plans to maximize resources available for their care and making arrangements that respect client wishes to the extent possible

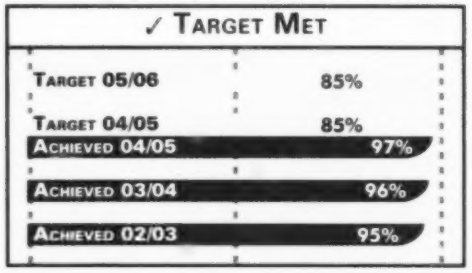
Performance Measure and Target

i. Percentage of personalized case plans covering property, effects, legal issues and living arrangements that will be developed and implemented for new clients within 6 months of PGT appointment as Committee of Estate. Target – 70%

Completion of a personalized case plan for a new Committee of Estate client is evidence that PGT has taken the steps necessary to identify and secure the property and financial interests of that client and provide for their ongoing protection. The time taken to develop and implement the plan will vary with the complexity of the client's property and financial interests. For most new clients, six months is a reasonable expectation in which to complete the case plan. In 2004/05, PGT became Committee of Estate under the *Patients Property Act* for 311 new clients and succeeded in developing personalized case plans for 261 (or 84%) of them within the six month timeframe.

Objective

d. Clients' property and assets will be managed in a timely, efficient and prudent manner.



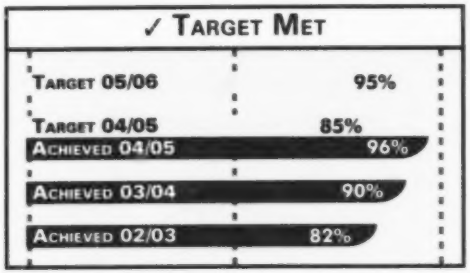
Improves quality of life for incapable adults by maximizing resources available for their care

Performance Measure and Target

i. Percentage of client receipts processed within 5 business days. Target – 85%

The timely processing of a client's income and other receipts is a critical activity in the efficient management of a client's financial affairs. By depositing income and other funds into a client's trust account promptly, flexibility in managing a client's affairs increases as does the potential for the client to earn investment income. In 2004/05, out of the 21,719 receipts of income or capital received, 21,020 (or 97%) were processed within the five day target.

GOAL 1 PROPERTY AND FINANCIAL INTERESTS OF PGT CLIENTS WILL BE WELL MANAGED



Improves quality of life for incapable adults by assuring timely bill payment

Performance Measure and Target

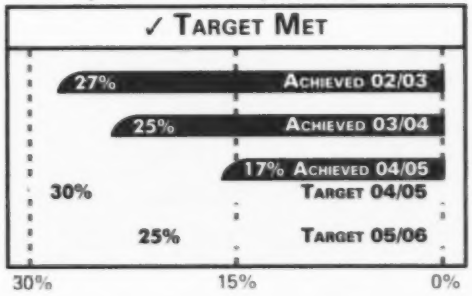
ii. Percentage of bills processed within 15 business days. Target – 85%

Another critical aspect of managing a client's affairs is ensuring that client bills are paid in a timely manner. The majority of client bills are dealt with on an automated basis and require minimal staff involvement to ensure that client interests are protected once a budget has been established that contemplates these bills. Some bills require manual processing which entails more complex handling. In 2004/05, 14,403 of 15,053 (or 96%) of manually processed bills received and paid within a single month were processed within 15 business days. Manual cheque processing in the two regional offices is not formally captured by this measure pending implementation of new information systems. However, the following unaudited statistics which are based on the 4th quarter, will serve as an indication of similar activity levels in these offices:

- Vancouver Island – 817 of 876 (or 93%) within 15 days
- Interior/North – 1,437 of 1,438 (or 100%) within 15 days

Objective

e. Administration of former clients' affairs will be completed in a timely manner.



Maximizes funds available to beneficiaries of estates of deceased clients

Performance Measure and Target

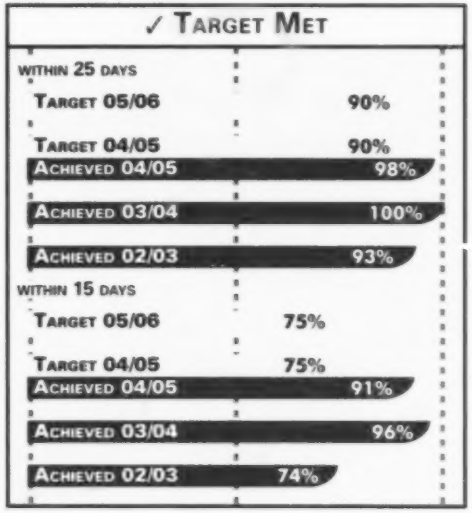
i. Percentage of Estate Liaison files where more than two years has elapsed following termination of active committeeship. Target – 30%

In the event of the death of an adult client, management of the former client's affairs is carried out by the Estate Liaison Team which makes immediate efforts to locate the client's executor or heirs able to administer the client's estate. In the interim, Estate Liaison must continue to manage the estate, though in a manner that interferes as little as possible in future decisions an executor or administrator might wish to make. PGT has developed a number of strategies, including fees, to reduce the time between the end of active committeeship and a family member or other representative taking over administration of the former client's estate. As its standard, PGT measures the number of these files over two years old. For 2004/05, PGT sought to reduce them to not more than 30% of the total. At March 31, 2005, out of the 420 post-active committeeships being managed by Estate Liaison, just 72 (or 17%) were older than two years.

GOAL 1 PROPERTY AND FINANCIAL INTERESTS OF PGT CLIENTS WILL BE WELL MANAGED

Objective

f. Deceased clients' property will be secured in a timely manner.



Secures and maximizes funds available to heirs and beneficiaries of estates of deceased clients

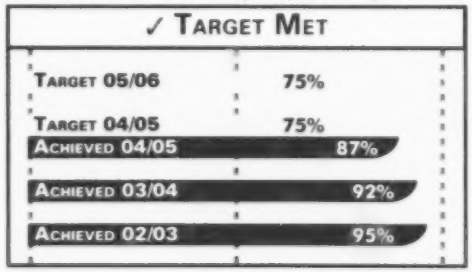
Performance Measure and Target

i. Physical assets of new estates are secured within 15 days of notification of death in 75% of estates and within 25 days of notification of death in 90% of estates.

Securing the physical assets of an estate is a critical step in reducing risk of damage and preventing loss to the value of an estate. The result for creditors and beneficiaries of the estate improves according to how quickly physical assets are secured. PGT has significantly increased its target for this measure based on experience. The measure has two sub-targets to reflect differences associated with more complex situations. In 2004/05, PGT was notified of 126 estates, of which, 115, or 91%, were secured within 15 days and 9 additional estates within 25 days. The total secured within 25 days was 124 of 126 or 98%.

Objective

g. Estate distributions will be made to heirs and beneficiaries rather than being transferred to the BC Unclaimed Property Society.



Protects heirs and beneficiaries by ensuring they are located and their entitlement determined

Performance Measure and Target

i. Percentage of estate funds distributed to heirs and beneficiaries rather than transferring to BCUPS. Target – 75%

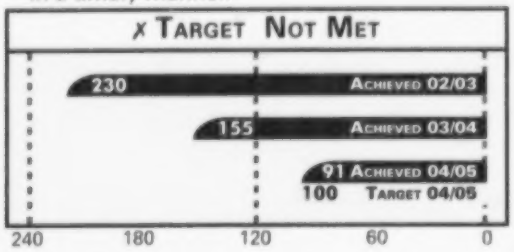
PGT administers estates of deceased persons when no one else is willing or able to administer them or where the heirs are initially unknown. If after conducting a search, PGT is unable to find the heirs, the balance of the estate after payment of creditors, administration fees and expenses, is transferred to the BC Unclaimed Property Society (BCUPS). The total value of distributed estates was $12,889,411 of which $11,231,241 (or 87%) was distributed to heirs and beneficiaries. The scope of the measure this year has been expanded to include all funds where it had previously measured only those estates over $20,000. This expansion represents a more challenging target since small estates can justify and afford less heir tracing. In 2004/05, PGT administered 263 estates and distributed 160 to the heirs and beneficiaries. The remaining 103 estates were transferred to BCUPS.

GOAL 1 PROPERTY AND FINANCIAL INTERESTS OF PGT CLIENTS WILL BE WELL MANAGED

Objective

h. Estates under administration will be concluded in a timely manner.

✗ Target Not Met



Protects heirs and beneficiaries by determining their entitlement and completing administration

Performance Measure and Target

i. Reduction in the number of estate administrations opened before April 1, 1995 by 100 in 2004/05.

PGT has had a backlog of old and difficult to administer estates of deceased persons primarily associated with transfer of opened estates to PGT from the former county and deputy official administrators. While a number of backlog reduction projects have been undertaken, complete elimination of this historical backlog remains years away, particularly as the concentration of difficult to administer estates in the remaining pool has increased. Eliminating these historical files will release resources for more timely administration of more recent estates. For purposes of this measure, the backlog is defined as including estates opened before April 1, 1995. At the start of 2004/05, it included 402 estates. Administration of 91 of these estates was completed during the year, slightly below the target which had been set at 100. While additional financial resources were allocated during 2004/05 for this work, the target was not met because of staff turnover and the time required to train new staff. However, cumulative performance over the past three years remains above target as the PGT has completed 476 of these older estates compared to a three-year target of 400.

✓ Target Met

Performance Measure and Target

ii. Develop standards for providing timely service for all estates under administration by December 31, 2004.

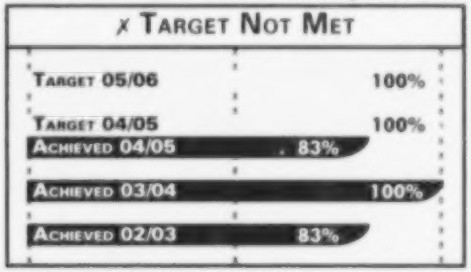
Following review of private sector standards in 2004, the Estate and Personal Trust Services Division (EPTS) drafted service commitments that identify timelines for each key activity. These commitments are being piloted until March 31, 2006 at which time they will be reviewed and amended and/or adopted.

To review PGT draft estate administration service commitments go to the EPTS page of the PGT website at: www.trustee.bc.ca

GOAL 1 PROPERTY AND FINANCIAL INTERESTS OF PGT CLIENTS WILL BE WELL MANAGED

Objective

i. Client investments will be managed prudently.

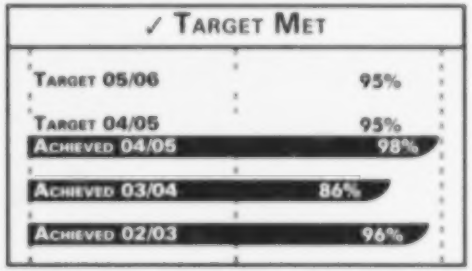


Improves quality of life for clients by prudently managing their financial resources through quality investment management

Performance Measure and Target

i. Investment returns for all three pooled funds match or exceed established benchmarks.

PGT has three pooled funds – the Premium Money Market Fund, the Balanced Income Fund and the Balanced Growth Fund. The majority of client funds are held in the Premium Money Market Fund. Investment returns are calculated using investment industry standard four year rolling averages with information on returns provided by third party performance measurement services. During 2004/05, from an overall perspective, the pooled investment funds met or exceeded their applicable benchmarks in 10 quarters out of 12. For more detailed information on investment rates of return, see page 20.



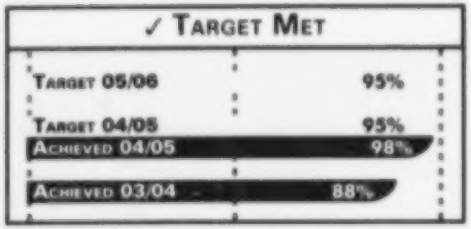
Improves quality of life for clients by prudently managing their financial resources through quality investment management

Performance Measure and Target

ii. Personalized investment plans developed and implemented for clients with financial assets over $50,000. Target – 95%

PGT acts in the best interest of clients in managing their property and financial interests. Developing and implementing personalized investment plans is one way in which investment decisions can be tailored to individual client circumstances. In 2004/05, PGT continued to give priority to clients with assets over $50,000. Out of 1,264 such clients as of September 30, 2004, 1,240 (or 98%) had personalized investment plans developed and implemented by March 31, 2005.

GOAL 1 PROPERTY AND FINANCIAL INTERESTS OF PGT CLIENTS WILL BE WELL MANAGED



Improves quality of life for clients by ensuring planning remains up to date

Performance Measure and Target

iii. Investment plans subject to review according to the assessed level of risk associated with the client investment portfolio will be completed within the year. Target – 95%

Monitoring existing client investment plans is important because client needs change over time. Individual client circumstances such as increased or decreased need for cash funds are considered when developing and reviewing investment plans. At March 31, 2004, 523 investment plans were scheduled for review. In 2004/05, 512 or 98% of the scheduled account reviews were completed. This target was increased significantly from that of 75% in 2003/04 to reflect PGT priority to meeting client needs. PGT resources were redirected to fund staff overtime that allowed this target to be met.

Objective

j. Appropriate controls over client assets will be ensured.

✓ Target Met

Improves quality of life for clients through quality financial management

Performance Measure and Target

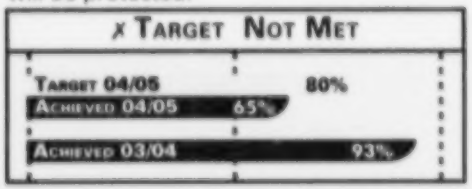
i. A review of at least one performance measure/target involving client assets to be completed as part of the annual internal audit plan.

A review of investment-related measures 1.i.i, 1.i.ii and 1.i.iii was completed and a report was submitted to Executive Committee in March 2005. The report expressed satisfaction that performance measurement numbers were being accurately reported. Its main recommendation was that systems-generated management information should be modified to assist in automating performance reporting and increasing reconciliation and quality assurance for these three measures. While the PGT internal auditor will continue to review activities involving client assets beyond this year, this work will not be treated as a performance measure.

GOAL 2 PERSONAL INTERESTS OF PGT CLIENTS WILL BE PROTECTED

Objective

a. The personal needs of children awarded significant funds for cost of care, or for whom on-going maintenance has been approved, will be protected.



Improves quality of life for children by providing for sustainable management of their current and future needs

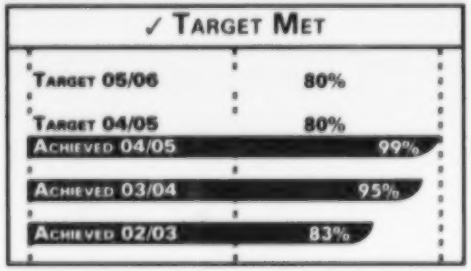
Performance Measure and Target

i. Personalized case plans will be developed and implemented within 6 months and thereafter annually reviewed for clients awarded in excess of $50,000 for cost of care or for whom ongoing maintenance has been approved Target – 80%

In 2004/05, PGT implemented case plans on behalf of 170 children who had been awarded $50,000 or more for the costs of future care or for ongoing maintenance. This includes both lump sum and alternative arrangements, such as structured settlements and structured trial awards where pre-determined sums are paid to PGT in regular instalments, a practice that is increasing in frequency. It does not include funds that courts authorize to be paid directly to parents. In 2004/05, personalized case plans were developed and implemented for 111 of 170 (or 65%) of new minor clients who had been awarded $50,000 or more. This included nine for whom costs of care had been awarded and 102 for whom ongoing maintenance had been awarded. This target is a significant increase over the 70% target in 2003/04. Problems with accuracy and calculation of the numbers were identified after year-end. PGT is implementing procedural steps and electronic reporting to address the shortcomings.

Objective

b. PGT will protect the personal and health care needs of clients for whom it acts as Committee of Person.



Improves quality of life for clients through direct contact with PGT staff and provides for maximum empowerment of the clients

Performance Measure and Target

i. Percentage of Committee of Person clients who are annually visited by PGT staff. Target – 80%

There are a small number of clients for whom PGT acts as court appointed Committee of Person. At March 31, 2004, there were 112 adults for whom PGT acted as Committee of Person. Over the course of the year PGT staff visited 111 (or 99%) of these clients. For PGT the visit provides an opportunity to check on the adult's personal situation and assess whether any changes are required to ensure protection of the client's ongoing personal and health care interests. For the adult, the visit provides a means of conveying information directly to PGT without an intermediary such as a caregiver or care facility administrator.

GOAL 2 PERSONAL INTERESTS OF PGT CLIENTS WILL BE PROTECTED

Objective

c. Health care decisions will be made in a high quality and timely manner.

✓ Target Met

Improves efficiency of health care system and facilitates care for incapable adults

Performance Measure and Target

i. Percentage of minor health care decisions (excluding plans of care) made within 1 working day of all relevant information being received and major health care decisions made within 3 working days of all relevant information being received. Target – 85%

PGT protects the personal interests of adults by making health care decisions on their behalf when asked to act as Temporary Substitute Decision-Maker (TSDM) under the *Health Care (Consent) and Care Facility (Admission) Act*. Timeliness of the decision-making is important to ensure clients receive needed health care.

In 2004/05, out of 104 minor health care decisions, 100 (or 96%) were made within 1 working day, and out of 143 major health care decisions, 142 (or 99%) were made within 3 days. PGT also performs many other related activities that are not identified as health care decisions for this purpose. The timeliness of PGT decisions on behalf of incapable adults with no one else to act as TSDM is important both to the health of the individual involved and to the efficient functioning of the health care system.

Not Applicable

Performance Measure and Target

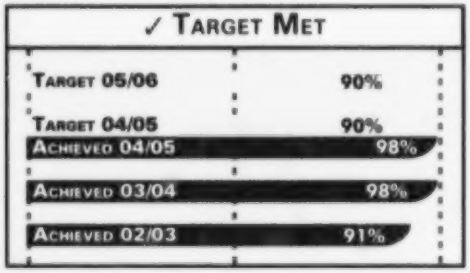
ii. Percentage of major health care decisions (excluding plans of care) made by PGT that are not substantially changed by the Health Care and Care Facility Review Board or the Supreme Court of British Columbia. Target – 95%

The Review Board was disbanded on March 11, 2004 following passage of legislation. As advised in the 2003/04 performance report, this measure has been discontinued. It is presented here for information only as the service delivery plan had been approved prior to the legislation. No appeals of PGT health care decisions have ever been made to court. In 2004/05, PGT commissioned an independent evaluation of its health care decision-making process and the evaluation found a high degree of satisfaction with the process among health care providers.

GOAL 3 STATUTORY PROTECTIVE AND MONITORING SERVICES WILL BE DELIVERED IN AN APPROPRIATE, TIMELY AND FAIR MANNER

Objective

a. Settlement reviews of children's legal claims will be carried out in a timely and high quality manner.

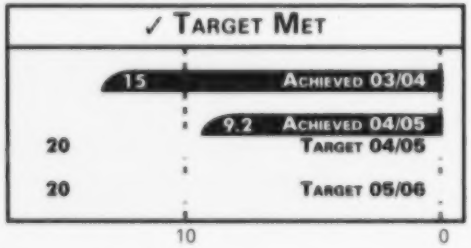


Increases efficiency of court system and protects children and minors by providing experienced, objective reviews in a timely manner

Performance Measure and Target

i. Percentage of proposed settlements that are reviewed and the parties advised of the PGT position within 60 days of all relevant information being received. Target – 90%

PGT provides independent legal review of all settlements of a minor's claim for unliquidated damages, e.g. wrongful death of a parent, damages for personal injury arising from motor vehicle accidents, medical malpractice, and other claims. For settlements over $50,000, comments made by PGT are given to the court which then makes the final determination; for settlements of $50,000 or less, PGT alone reviews and where appropriate, approves the amount. This statutory service is provided to protect minors' property rights in obtaining fair and reasonable compensation from the negligent parties or their insurers. The court recognizes 60 days for completing the reviews as a reasonable length of time in which to expect PGT to provide an appropriate level of scrutiny. Within this timeframe, PGT works as quickly as possible as this review is usually the final step in what may already have been a very long process of litigation and settlement for these minors and their guardians. In 2004/05, PGT reviewed the proposed settlements and advised the parties of PGT position within 60 days of all relevant information being received in 855 out of 871 cases (or 98%).



Increases efficiency of court system and protects children and minors by providing experienced, objective reviews in a timely manner

Performance Measure and Target

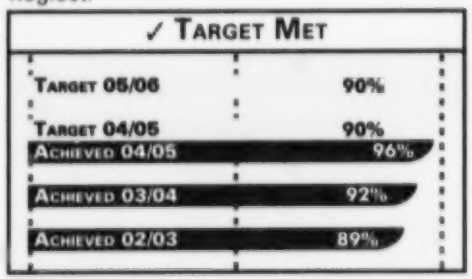
ii. For settlements under $5,000, the average number of days to review and advise of PGT position regarding proposed settlements once all relevant information is received. Target – 20 days

In 2004/05, PGT reviewed and concluded 490 proposed settlements under $5,000 over a total of 4,515 days for an average of 9.2 elapsed days per settlement. This measure is a subset of the previous measure (3.a.i). It is reported separately because it is desirable and more efficient to respond to minor settlements more quickly than is possible for larger, more complex settlements.

GOAL 3 STATUTORY PROTECTIVE AND MONITORING SERVICES WILL BE DELIVERED IN AN APPROPRIATE, TIMELY AND FAIR MANNER

Objective

b. PGT will take steps to protect the assets of adults at risk for abuse, neglect and self-neglect.



Increased safety for abused and neglected adults by taking protective action in a timely manner

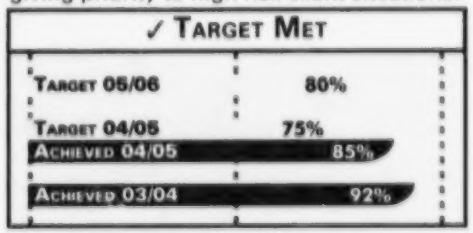
Performance Measure and Target

i. Percentage of cases where, on confirming that the assets of an apparently abused or neglected adult unable to seek support and assistance are at significant risk and in need of immediate protection, protective steps are taken under s. 19 of the *Public Guardian and Trustee Act* within 1 working day. Target – 90%

Under the *Public Guardian and Trustee Act*, the PGT is mandated to protect incapable adults at risk for abuse, neglect and self-neglect. One way it does this is to safeguard the assets of incapable adults in vulnerable situations so that those persons who are about to take financial advantage of them will be unable to do so. The speed of PGT action is often a major determinant of whether client assets are protected. In 2004/05, PGT took protective measures in 70 cases. In 67 of these (or 96%), it did so within 1 working day. PGT will reassess this target when interjurisdictional standards are established.

Objective

c. PGT will focus monitoring services of Private Committees by performing a risk assessment of all received accounting submissions and by giving priority to high risk client situations.



Improves quality of life for clients by maximizing financial resources available for their care

Performance Measure and Target

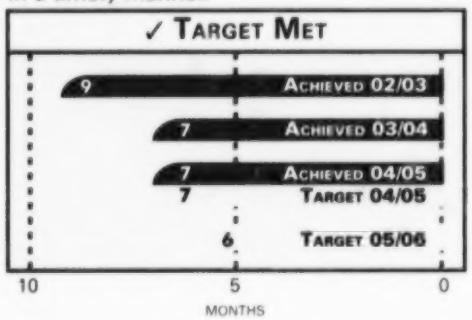
i. Percentage of financial reviews of high risk client situations initiated within 60 days of receipt. Target – 75%

PGT is responsible for monitoring activities of private committees appointed by the Supreme Court under the *Patients Property Act*. A major component of this monitoring involves reviewing and passing the accounts of private committees which provide information about the financial decisions they have made on behalf of adults who are not capable of managing their own affairs. PGT conducts a risk assessment of all accounts submitted to determine the correct risk rating (high, medium or low). All high risk client situations are reviewed on a priority basis. In 2004/05, 109 high risk situations were reviewed, of which 93 (or 85%) were reviewed within 60 days. PGT will reassess this target when interjurisdictional standards are established.

GOAL 3 STATUTORY PROTECTIVE AND MONITORING SERVICES WILL BE DELIVERED IN AN APPROPRIATE, TIMELY AND FAIR MANNER

Objective

d. Private Committee reviews will be completed in a timely manner.



Improves quality of life for clients by maximizing financial resources available for their care

Performance Measure and Target

i. Average age of Private Committee accounts that have been submitted for passing and are awaiting PGT review. Target – 7 months

Private committees are responsible for over $700 million in assets belonging to incapable adults. PGT is moving to a more flexible structure for oversight of private committees. Reviewing their accounts in a timely manner is important so that losses related to misuse or misunderstanding can be prevented. At March 31, 2005, the average age of private committee accounts pending final review by PGT was 7 months. It is expected that continued modest improvements in timeliness can be achieved for several more years.

GOAL 4 PGT WILL CONTRIBUTE TO PUBLIC AWARENESS, POLICY ISSUES AND LAW REFORM INITIATIVES TO PROMOTE THE INTERESTS OF OUR CLIENTS

Objective

a. PGT will make relevant, useful and affordable recommendations to government for law reform affecting clients.

✓ Target Met

Performance Measure and Target

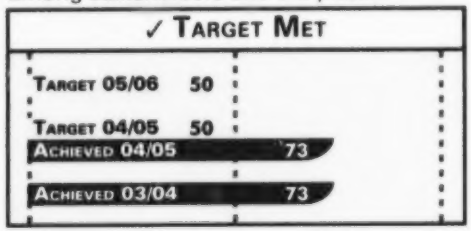
i. A report delivered to the Attorney General by March 31, 2005 on the law reform options and associated fiscal and service implications of transferring responsibility to act as trustee for small trusts to parents and guardians of minors.

A report entitled "Review of the Public Guardian and Trustee's Administration of Small Trusts for Children and Youth" was submitted to the Attorney General for review in March 2005. The report is an analysis of the implications of transferring responsibility for trusts of $5,000 and less from PGT to parents and guardians of children. The report remains under consideration.

GOAL 4 PGT WILL CONTRIBUTE TO PUBLIC AWARENESS, POLICY ISSUES AND LAW REFORM INITIATIVES TO PROMOTE THE INTERESTS OF OUR CLIENTS

Objective

b. PGT will promote an understanding of its role among stakeholders and the public.



Better public and stakeholder understanding of PGT role promotes appropriate and effective uptake of PGT services

Performance Measure and Target

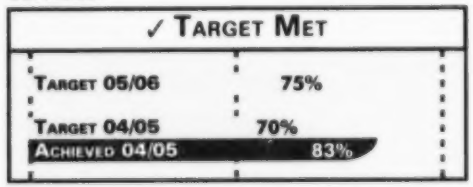
i. PGT role explained by PGT representatives at 50 stakeholder conferences/events and other public education forums in 2004/05.

PGT representatives made public presentations at 73 meetings, conferences or other events during the 2004/05 fiscal year. There is continuing high public and partner demand for PGT to make presentations.

GOAL 5 PGT WILL IMPROVE ITS ABILITY TO DELIVER EFFECTIVE AND EFFICIENT SERVICE TO CLIENTS

Objective

a. PGT will meet client expectations for quality services.



Improves service delivery by highlighting areas requiring improvement

Performance Measure and Target

i. Percentage of heirs and beneficiaries responding to survey who rated estate administration services as good or very good. Target – 70%

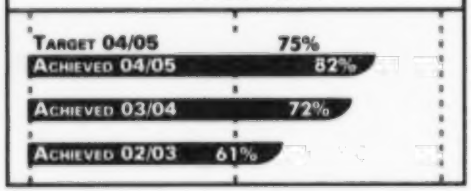
The Estate and Personal Trust Services Division conducts a client satisfaction survey with heirs and beneficiaries who receive funds when administration of an estate is completed. In 2004/05, 133 of 160 (or 83%) heirs and beneficiaries who responded to the survey rated estate administration services as good or very good.

GOAL 5 PGT WILL IMPROVE ITS ABILITY TO DELIVER EFFECTIVE AND EFFICIENT SERVICE TO CLIENTS

Objective

b. PGT services will be equitable and accessible.

✓ Target Met



Improves well-being of clients by facilitating direct personal contact with clients and caregivers

Performance Measure and Target

i. Percentage of clients for whom PGT manages affairs who are served locally. Target – 75%

Local service is defined as being within a two hour driving distance. All clients were served from PGT offices in Vancouver until June 2003 when a Vancouver Island regional office opened in Victoria followed by an Interior/North Regional Office in Kelowna in October 2004. By the end of 2004/05, out of 3,065 adult clients known to live in BC, 2,504 (or 82%) were served locally by PGT offices. This target has increased from 60% in 2002/03 to reflect the commitment to local service and the new PGT regional structure.

✓ Target Met

Improves well-being of clients and facilitates relations with other partners by ensuring consistency

Performance Measure and Target

ii. Plan implemented to meet the needs of clients with special communications and linguistic needs by March 31, 2005.

In 2004/05, PGT implemented a number of measures that had been recommended in a 2003 report on responding to clients with special communications and linguistic needs. Key steps included measures to enhance translation and interpretation services, develop greater access to information regarding client language preferences and increased availability of PGT publications in alternate formats. PGT has also developed a preliminary strategy for moving beyond a focus on language in providing service to an increasingly diverse population.

GOAL 5 PGT WILL IMPROVE ITS ABILITY TO DELIVER EFFECTIVE AND EFFICIENT SERVICE TO CLIENTS

Objective

c. Mission critical information technology systems and processes will be maintained and enhanced.

✓ Target Met

Benefits clients by facilitating efficient management of their assets and personal care requirements

Performance Measure and Target

i. Trust accounting and case management information technology revitalized and enhanced by March 31, 2005

Sound information technology systems are critically important for PGT operating effectiveness, efficiency and accountability. In particular, it is through the trust accounting and case management information technology that many PGT business processes are carried out. These computer based systems are essential to the PGT in carrying out its role as a fiduciary. COMET, which is the primary PGT client information system, is a stable legacy system with some functional and technological limitations. The PGT undertook a broad range of initiatives designed to enhance these systems for improved availability, functionality and usability of data. As well, efforts regarding the trust accounting systems included a financial reverse engineering project that provides for the first time, program documentation of the existing financial system. The trust accounting system reverse engineering created technical knowledge of COMET, improving the quality of ongoing usability, maintenance and enhancements. The business modeling project brought together numerous internal sources of business process documentation, into one technical library that will improve the understanding and usability of COMET. The jBASE project was put on hold in part due to delays in resolving a few technical issues and in part to allow for a shift in focus to prepare for the selection of a new casework management system.

Objective

d. Client services will be delivered in accordance with established standards and policies.

✓ Target Met

Improves well-being of clients and facilitates relations with other partners by ensuring consistency

Performance Measure and Target

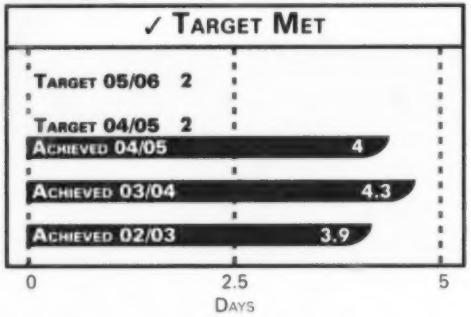
i. Plan implemented March 31, 2005, confirming that key policies affecting clients are being observed

Delivering services according to established standards and policies is a major PGT goal. In 2004/05 PGT continued with implementation of a multi-year plan that identified key policies together with applicable monitoring practices. While this implementation will not be documented as a specific performance measure after this year, activities scheduled for completion in future years will proceed.

GOAL 6 PGT WILL MAINTAIN A WORK ENVIRONMENT THAT ATTRACTS, DEVELOPS, VALUES AND EMPOWERS STAFF TO DELIVER QUALITY SERVICE

Objective

a. PGT rewards, recognizes and values its employees and fosters an environment of continuous individual and organizational learning.

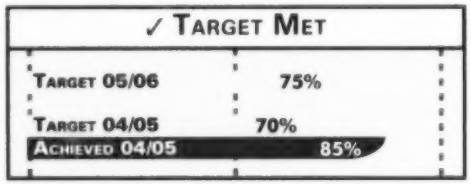


Improves well-being of clients and facilitates relations with other partners by ensuring consistency

Performance Measure and Target

i. Average number of training days per year per FTE. Target – 2 days (or 14 hours)

The number of training days per staff per year is another indicator contributing to quality client service. PGT staff work in a dynamic, complex and high volume environment. It is essential that they be provided with current and relevant training to assist them in delivering comprehensive and appropriate service to clients. In 2004/05, the training target was surpassed with the average training hours per employee being 28.3 hours, or more than four days. The higher levels reported reflect restructuring, training related to a higher number of new staff and an enhanced emphasis on consistency in service delivery.



Protects client interests by having well-trained professional staff.

Performance Measure and Target

ii. Percentage of staff who believe they have the necessary training to do their current work well. Target – 70%

A staff survey distributed in February/March 2005 was completed by 136 PGT staff members. Of these, 115 (or 85%) responded that they believe they have the necessary training to do their current work well.

Protects client interests by having well-trained professional staff

Performance Measure and Target

iii. PGT Staff Interchange Program established by March 31, 2005

Policy #0423, Employee Exchange Program was approved and implemented in March 2005. Implementation included an extensive introductory mailout to potential exchange partners.

E. REVENUES AND PROGRAM COSTS

1. Introduction

The Public Guardian and Trustee cost allocation model was developed to show revenues and costs in a meaningful way by linking resources to the costs of service provision.

The model continues to evolve in response to the changing environment in which the Public Guardian and Trustee operates and as technological improvements allow more sophistication in aligning resources and costs.

2. Revenue Sources and Variances

(a) Revenue Sources

Revenue is comprised of commissions, fees and recoveries charged to PGT estate and trust clients for services rendered, monitoring fees charged to other clients and funding received from the Province of British Columbia. Core Services Review recognized that there are some services for which fees cannot be charged to clients but which serve an important public policy interest and require government funding.

Commissions and fees are charged in accordance with the *Public Guardian and Trustee Fees Regulation*.

(b) Revenue Variances [unaudited], For the Year Ended March 31, 2005

($ in thousands)

Brackets in variance column indicate actual revenues in excess of budget

	Budget	Actual	Variance	Note
Revenues				
Self-generated funding				
Commissions	$8,367	$8,485	$(118)	1
Asset management fees	2,324	2,276	48	
Estate liaison administration fees	450	397	53	
Estate and personal trust services heir tracing fees	175	112	63	
Fees including private committee, infant settlement, and applications to Court	1,470	1,379	91	
Cost recoveries	226	243	(17)	
Voted funding				
Funding from the Province of British Columbia	6,950	6,950	-	
Total Revenues	$19,962	$19,842	$120	

(c) Explanatory Notes on Revenue Variances

1. Commissions revenue showed a net positive variance reflecting increased capital commissions in both Services to Adults and Estate and Personal Trust Services. Offsetting this variance was a decrease in income commissions primarily arising from the impact of low interest rates on clients' investment income.

3. Expenses and Variances

(a) Expense Variances [unaudited]

For the Year Ended March 31, 2005

($ in thousands)

Brackets in variance column indicate actual expenses in excess of budget

	Budget	Actual	Variance	Note
Expenses				
Salaries and benefits	$13,681	$13,325	$356	1
Professional contracts	1,858	1,413	445	2
Building occupancy	1,470	1,527	(57)	
Computer related	738	833	(95)	
Other	1,411	1,464	(53)	
Expenses (recoveries)	(111)	(38)	(73)	
Total Expenses	$19,047	$18,524	$523	

(b) Explanatory Notes on Expense Variances

1. The PGT budgets salaries and benefits based on the assumption of 100% staffing. In past years, salary savings arising from vacancies have averaged approximately 3.1%. The rate of 2.6% for fiscal 2005 is slightly below this average.

2. This variance resulted from a reduction in legal services by outside legal counsel retained by the PGT. The demand for outside legal services is largely unpredictable. As a result, material variances against budget may occur.

4. Allocation of Revenues and Expenses by Program - Budget (unaudited)
For the Year Ended March 31, 2005

	Estate and Trust Services				Public Services			
	Services to Adults	Estate and Personal Trust Services	Child and Youth Services	Subtotal	Services to Adults	Child and Youth Services	Subtotal	Totals
Revenues								
Self-generated funding								
Commissions	$4,776,664	$1,915,176	$1,636,513	$8,328,353	$ -	$39,000	$39,000	$8,367,353
Asset management fees	1,157,401	438,093	682,407	2,277,901	-	46,000	46,000	2,323,901
Estate liaison administration fees	450,000	-	-	450,000	-	-	-	450,000
Estate and personal trust services heir tracing fees	-	175,000	-	175,000	-	-	-	175,000
Private committee review fees	-	-	-	-	445,000	-	445,000	445,000
Infant settlement review fees	-	-	-	-	-	725,000	725,000	725,000
Applications to Court	60,000	-	-	60,000	-	240,000	240,000	300,000
Cost recoveries	110,740	106,220	9,040	226,000	-	-	-	226,000
	6,554,805	**2,634,489**	**2,327,960**	**11,517,254**	**445,000**	**1,050,000**	**1,495,000**	**13,012,254**
Funding from other sources								
Voted funding								6,950,000
Total Revenues	**6,554,805**	**2,634,489**	**2,327,960**	**11,517,254**	**445,000**	**1,050,000**	**1,495,000**	**19,962,254**
Expenses								
Salaries and benefits	6,079,896	2,584,024	1,118,617	9,782,537	2,140,736	1,757,727	3,898,463	13,681,000
Professional contracts	741,317	114,185	114,789	970,291	527,465	360,244	887,709	1,858,000
Building occupancy	634,872	270,633	156,548	1,062,053	229,614	178,333	407,947	1,470,000
Computer related	338,903	97,046	167,684	603,633	44,403	89,964	134,367	738,000
Other	645,760	185,750	216,650	1,048,160	220,837	142,003	362,840	1,411,000
Expenses (recoveries)	(141,788)	65,499	17,989	(58,300)	(2,976)	(49,724)	(52,700)	(111,000)
Total Expenses	8,298,960	3,317,137	1,792,277	13,408,374	3,160,079	2,478,547	5,638,626	19,047,000
	$(1,744,155)	$(682,648)	$535,683	$(1,891,120)	$(2,715,079)	$(1,428,547)	$(4,143,626)	
Excess of Revenues over Expenses								**$915,254**

5. Allocation of Revenues and Expenses by Program - Actual (unaudited)
For the Year Ended March 31, 2005

	Estate and Trust Services				Public Services			
	Services to Adults	Estate and Personal Trust Services	Child and Youth Services	Subtotal	Services to Adults	Child and Youth Services	Subtotal	Totals
Revenues								
Self-generated funding								
Commissions	$4,969,287	$1,679,699	$1,777,873	$8,426,859	$ -	$57,714	$57,714	$8,484,573
Asset management fees	1,063,163	447,621	711,836	2,222,620	-	53,512	53,512	2,276,132
Estate liaison administration fees	396,560	-	-	396,560	-	-	-	396,560
Estate and personal trust services heir tracing fees	-	112,371	-	112,371	-	-	-	112,371
Private committee review fees	-	-	-	-	540,151	-	540,151	540,151
Infant settlement review fees	-	-	-	-	-	521,875	521,875	521,875
Applications to Court	53,100	4,800	-	57,900	-	259,288	259,288	317,188
Cost recoveries	130,082	81,752	31,138	242,972	-	-	-	242,972
	6,612,192	**2,326,243**	**2,520,847**	**11,459,282**	**540,151**	**892,389**	**1,432,540**	**12,891,822**
Funding from other sources								
Voted funding								6,950,000
Total Revenues	**6,612,192**	**2,326,243**	**2,520,847**	**11,459,282**	**540,151**	**892,389**	**1,432,540**	**19,841,822**
Expenses								
Salaries and benefits	6,078,937	2,390,566	1,007,916	9,477,419	2,148,600	1,698,989	3,847,589	13,325,008
Professional contracts	654,922	130,202	98,323	883,447	279,592	250,102	529,694	1,413,141
Building occupancy	674,348	276,706	165,017	1,116,071	225,371	185,969	411,340	1,527,411
Computer related	378,025	101,783	203,029	682,837	45,114	105,300	150,414	833,251
Other	717,926	183,184	239,410	1,140,520	159,312	163,840	323,152	1,463,672
Expenses (recoveries)	(113,737)	107,082	9,154	2,499	(84)	(40,810)	(40,894)	(38,395)
Total Expenses	8,390,421	3,189,523	1,722,849	13,302,793	2,857,905	2,363,390	5,221,295	18,524,088
	$(1,778,229)	$(863,280)	$797,998	$(1,843,511)	$(2,317,754)	$(1,471,001)	$(3,788,755)	
Excess of Revenues over Expenses								**$1,317,734**

FINANCIAL STATEMENTS
MARCH 31, 2005

OPERATING ACCOUNT

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

700 - 808 West Hastings Street, Vancouver, BC Canada V6C 3L3 • Phone: (604) 660-4444 • Fax: (604) 660-0374
www.trustee.bc.ca

FINANCIAL STATEMENTS

March 31, 2005

Management's Statement of Responsibilities for the Financial Statements of the Public Guardian and Trustee of British Columbia

The accompanying financial statements of the Public Guardian and Trustee Operating Account are the responsibility of management. These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Financial statements are not precise since they include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects. When alternative accounting policies exist, management has chosen those it deems most appropriate in the circumstances.

Systems of internal accounting and administrative controls are maintained to provide reasonable assurance that the financial statements are reliable and accurate and that transactions are properly authorized, recorded and executed in accordance with prescribed regulations, and that the corporation's and clients' assets are appropriately accounted for and adequately safeguarded.

The Auditor General of British Columbia provides an independent opinion on the financial statements prepared by the Public Guardian and Trustee of British Columbia. The duties of the Auditor General in that respect are contained in Section 26 of the *Public Guardian and Trustee Act*.

Jay Chalke
Public Guardian and Trustee

June 30, 2005

Report of the Auditor General of British Columbia

To the Public Guardian and Trustee of British Columbia,

To the Attorney General, Province of British Columbia, and

To the Members of the Legislative Assembly of British Columbia:

I have audited the balance sheet of the *Public Guardian and Trustee of British Columbia* Operating Account as at March 31, 2005 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Public Guardian and Trustee's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the *Public Guardian and Trustee of British Columbia* Operating Account as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Wayne Strelioff

Victoria, British Columbia
June 30, 2005

Wayne Strelioff, FCA
Auditor General

Public Guardian and Trustee of British Columbia
Operating Account
Balance Sheet
As at March 31, 2005
($ in thousands)

	2005	2004 (Restated – note 9)
Assets		
Due from the Province of British Columbia (note 3)	$14,148	$12,561
Accounts receivable (note 6 (d))	470	807
Current assets	14,618	13,368
Capital assets (notes 2 (b) and 4)	1,653	1,431
	$16,271	$14,799
Liabilities		
Accounts payable and accrued liabilities	$2,104	$1,958
Accrued employee leave liability (note 2 (e))	542	534
	2,646	2,492
Operating Account Balance	13,625	12,307
	$16,271	$14,799

The accompanying notes are an integral part of these financial statements.

Jay Chalke
Public Guardian and Trustee

June 30, 2005

Public Guardian and Trustee of British Columbia
Operating Account
Statement of Operations
For the Year Ended March 31, 2005
($ in thousands)

	2005	2004 (Restated – note 9)
Revenues		
Operating revenues (note 2 (c))	$12,893	$12,762
Funding from the Province of British Columbia (note 6 (a))	6,950	6,497
	19,843	19,259
Expenses		
Salaries and benefits	13,194	12,993
Building occupancy (note 6 (b))	1,527	1,500
Other operating and administrative costs	1,461	1,103
Computer systems and support	596	623
Client expenditures (note 2 (d))	491	534
Professional services	428	486
Legal services	297	478
Amortization	531	430
Contributions to communities (note 5)	-	97
	18,525	18,244
Excess of Revenues Over Expenses	1,318	1,015
Operating Account Balance, Beginning of Year		
As previously stated	12,630	11,615
Prior period adjustments (note 9)	(323)	(323)
As restated	12,307	11,292
Operating Account Balance, End of Year	$13,625	$12,307

The accompanying notes are an integral part of these financial statements.

Public Guardian and Trustee of British Columbia
Operating Account
Statement of Cash Flows
For the Year Ended March 31, 2005
($ in thousands)

	2005	2004 (Restated – note 9)
Cash Flows from Operating Activities		
Cash Generated From		
Operating revenues	$13,229	$12,605
Funding from the Province of British Columbia	6,950	6,497
	20,179	19,102
Cash Used For		
Salaries and benefits	(13,113)	(12,939)
Operating expenses	(4,561)	(4,532)
	(17,674)	(17,471)
	2,505	1,631
Cash Used For Investing Activities		
Purchase of capital assets	(918)	(879)
Increase in Cash	1,587	752
Cash, Beginning of Year	12,561	11,809
Cash, End of Year	$14,148	$12,561
Represented By		
Due from the Province of British Columbia (note 3)	$14,148	$12,561

The accompanying notes are an integral part of these financial statements.

Public Guardian and Trustee of British Columbia
Operating Account
Notes to Financial Statements
For the Year Ended March 31, 2005
($ in thousands)

1. Reporting Entity

The Public Guardian and Trustee Operating Account ("Operating Account") operates under the authority of the *Public Guardian and Trustee Act*. The Operating Account is not liable for taxation, except insofar as the government is liable. The Operating Account was established as a Special Account in the general fund of the consolidated revenue fund of the Province of British Columbia.

Spending from revenue in excess of the budget approved by the Province of British Columbia or from the Operating Account Balance requires Treasury Board approval.

The Operating Account reports the revenues earned from the services provided to clients of the Public Guardian and Trustee and the operating and capital expenditures relating to the provision of these services. Clients are adults who are not capable of managing their own affairs, deceased persons' estates which have no other person willing and able to act for them, estates of missing persons, and children in receipt of settlement funds, insurance policy proceeds or money from estates.

Separate financial statements have been prepared as of March 31, 2005 for client trust accounts which include $585,854 of net assets held in trust.

2. Significant Accounting Policies

(a) Basis of Accounting

Management has prepared these financial statements in accordance with Canadian generally accepted accounting principles.

(b) Capital Assets

Capital assets are recorded at cost less accumulated amortization and amortized on a straight-line basis over their estimated useful lives. Personal computer hardware and software are amortized over three years. All remaining assets are amortized over five years. No salvage value is assumed.

(c) Revenue Recognition

Commissions and fees are paid by trust clients in accordance with the *Public Guardian and Trustee Fees Regulation* as provided for under the *Public Guardian and Trustee Act*. Commissions and fees are recognized in the period during which the service is provided or at the point in time directed by regulation, court order, co-trustees or beneficiaries.

(d) Client Expenditures

Client expenditures represent amounts paid for clients' property management, advances to clients and other miscellaneous expenditures made on behalf of clients where the clients do not have the funds to pay or where an administrative decision has been made to pay an amount on behalf of clients. Legal expenditures paid on behalf of clients are reported under legal services.

(e) Accrued Employee Leave Liability

Accrued employee leave liability represents vacation and other leave entitlements due to employees under existing employment agreements. The change in the accrued liability is funded by or refunded to the BC Public Service Agency and is reflected in the financial statements as an increase or decrease in salaries and benefits.

(f) Employee Benefit Plans

The Public Guardian and Trustee has a defined benefit plan and a defined retirement plan for substantially all of its employees. In addition, the Public Guardian and Trustee has defined health care plans for substantially all employees and retirees.

The Public Guardian and Trustee and its employees contribute to the Public Service Pension Plan in accordance with the *Public Sector Pension Plans Act*. The plan is a joint trustee plan with a board of trustees, representing plan members and employers, sharing responsibility for overseeing management of the plan. The pension plan is a multi-employer contributory defined benefit pension plan.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent actuarial valuation, as of March 31, 2002, indicated that the plan was in a surplus position. The actuary does not attribute portions of the surplus to individual employers.

Employees are also entitled to specific health care and termination benefits as provided for under collective agreements and terms of employment.

Defined contribution plan accounting is applied to these benefit plans as the Public Guardian and Trustee has insufficient information to apply defined benefit plan accounting. As such, the cost of employee future benefits for these plans is recognized as an expense in the year contributions are paid.

(g) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions in determining reported amounts. Actual results could differ from these estimates.

3. Due from the Province of British Columbia

The Public Guardian and Trustee does not maintain a separate bank account and uses the Province of British Columbia's financial and banking systems to process and record its transactions. The amount due from the Province of British Columbia represents the accumulated net financial transactions of the Operating Account.

4. Capital Assets

	2005			2004
	Cost	Less: Accumulated amortization	Net book value	Net book value
Furniture and equipment	$564	$516	$48	$49
Personal computer software	566	470	96	128
Personal computer hardware	1,333	1,151	182	309
Server computer software	1,461	643	818	326
Server computer hardware	381	186	195	163
Tenant improvements	906	795	111	-
Capital assets in use	5,211	3,761	1,450	975
Server computer software under development	203	-	203	456
Total capital assets	$5,414	$3,761	$1,653	$1,431

The Public Guardian and Trustee is currently upgrading and enhancing its client trust system.

Amortization will be taken when individual components of the project are completed and in use.

5. Contributions to Communities

In prior years, contributions were made to communities for projects that address abuse and neglect related to adult guardianship. The largest contributions were made to communities to facilitate the establishment of Community Response Networks in accordance with Section 61 of the *Adult Guardianship Act*. The purpose of the networks is to develop a coordinated community response to issues of abuse and neglect. In 2004 final contributions for the purpose of implementing the Community Response Networks were made to a new non-profit society called the BC Foundation to Support Community Response to Adult Abuse and Neglect.

6. Related Party Transactions

The Public Guardian and Trustee is a corporation sole. All transactions with the Province of British Columbia ministries, agencies and Crown corporations occurred in the normal course of operations and are valued at exchange amount, which is representative of fair value unless otherwise disclosed in these notes.

(a) A transfer from a sub-vote of the Ministry of Attorney General has been provided for adult guardianship legislation and other expenditures of the Public Guardian and Trustee.

(b) The Public Guardian and Trustee's Vancouver office, Interior/North regional office, warehouse facility, and Vancouver Island regional office are provided through the British Columbia Buildings Corporation, an independently managed Crown corporation. Total building occupancy payments for 2005 were $1,527 (2004: $1,500). These building occupancy arrangements expire in 2006, 2007, 2008 and 2011 respectively and have a six-month termination notice without penalty.

(c) Certain financial and administrative services are provided by the Ministry of Attorney General. The costs of these services are not readily quantifiable, not charged to the Operating Account and are therefore not included in these financial statements.

(d) Accounts receivable includes, in part, amounts due from Estates and Trusts Administered by the Public Guardian and Trustee of $418 (2004: $797).

7. Contingent Liabilities

From time to time, the Public Guardian and Trustee is a defendant in legal actions in carrying out his duties. Under Section 21 of the *Public Guardian and Trustee Act*, monies required to discharge any liability or claim against the Public Guardian and Trustee must be paid out of the consolidated revenue fund of the Province of British Columbia.

8. Comparability of Reported Amounts

(a) The Public Accounts are the financial statements of the Province of British Columbia and are prepared in accordance with Canadian generally accepted accounting principles. The financial statements of the Operating Account are similarly prepared in accordance with Canadian generally accepted accounting principles. However, accruals and adjustments not material to the Public Accounts but material to the Public Guardian and Trustee have been included in these statements.

(b) The financial statements for both the Estates and Trusts Administered by the Public Guardian and Trustee and the Operating Account are prepared in accordance with Canadian generally accepted accounting principles. Separate accounting systems and processes are utilized by each of these reporting entities. Although each reporting entity has similar reporting standards, amounts paid or payable between the entities vary due to timing and collectibility differences.

9. Prior Period Adjustments

The comparative figures have been restated to reflect the retroactive application of the adjustments listed below. The cumulative impact of the changes was to reduce the operating account balance as of April 1, 2003 by $323.

Client Account Adjustments

(a) During the year ended March 31, 2005, management identified an adjustment due a client for commissions and interest arising between 1988 and 1994. An accrual of $250 has been made to reflect this liability (2005: $16, prior years: $234).

(b) During the year ended March 31, 2005, management identified that commissions should not have been taken in years prior to 2003 on certain refunds to clients. An accrual of $100 has been made to estimate the liability for refunding of the commissions and the interest thereon (2005: $11, prior years: $89).

ESTATES AND TRUSTS ADMINISTERED

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

700 - 808 West Hastings Street, Vancouver, BC Canada V6C 3L3 • Phone: (604) 660-4444 • Fax: (604) 660-0374
www.trustee.bc.ca

FINANCIAL STATEMENTS

March 31, 2005

Management's Statement of Responsibilities for the Financial Statements of the Public Guardian and Trustee of British Columbia

The accompanying financial statements of the Estates and Trusts Administered by the Public Guardian and Trustee are the responsibility of management. These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Financial statements are not precise since they include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects. When alternative accounting policies exist, management has chosen those it deems most appropriate in the circumstances.

Systems of internal accounting and administrative controls are maintained to provide reasonable assurance that the financial statements are reliable and accurate and that clients' assets are appropriately accounted for and adequately safeguarded.

The Auditor General of British Columbia provides an independent opinion on the financial statements prepared by the Public Guardian and Trustee of British Columbia. The duties of the Auditor General in that respect are contained in Section 26 of the *Public Guardian and Trustee Act*.

Jay Chalke
Public Guardian and Trustee

June 30, 2005

Report of the Auditor General of British Columbia

To the Public Guardian and Trustee of British Columbia,

To the Attorney General, Province of British Columbia, and

To the Members of the Legislative Assembly of British Columbia:

I have audited the balance sheet for estates and trusts administered by the *Public Guardian and Trustee of British Columbia* as at March 31, 2005 and the statement of changes to assets for the year then ended. These financial statements are the responsibility of the Public Guardian and Trustee's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position for estates and trusts administered by the *Public Guardian and Trustee of British Columbia* as at March 31, 2005 and the changes to assets for the year then ended in accordance with Canadian generally accepted accounting principles.

Wayne Strelioff

Victoria, British Columbia
June 30, 2005

Wayne Strelioff, FCA
Auditor General

Public Guardian and Trustee of British Columbia
Estates and Trusts Administered
Balance Sheet
As at March 31, 2005
($ in thousands)

	2005	2004
Assets		
Premium money market fund (note 3)	$357,287	$370,577
Balanced income fund (note 4)	22,897	25,394
Balanced growth fund (note 5)	46,416	42,276
Other investments and securities (note 6)	77,340	73,476
Other financial assets (note 7)	6,394	5,432
Real property (note 8)	84,662	75,652
Other assets (note 2 (b))	1	1
	$594,997	$592,808
Liabilities		
Accounts payable	$3,750	$2,894
Mortgages and loans payable (note 2 (c))	5,058	4,992
Payable to the Public Guardian and Trustee Operating Account (note 13)	335	898
	9,143	8,784
Net Assets Held in Trust	585,854	584,024
	$594,997	$592,808

The accompanying notes are an integral part of these financial statements.

Jay Chalke
Public Guardian and Trustee

June 30, 2005

Public Guardian and Trustee of British Columbia
Estates and Trusts Administered
Statement of Changes to Assets
For the Year Ended March 31, 2005
($ in thousands)

	2005							2004
	Premium money market fund	Balanced income fund	Balanced growth fund	Other investments and securities	Other financial assets	Real property	Totals	Totals
Opening Balances, at Fair Value	$370,577	$25,394	$42,276	$73,476	$5,432	$75,652	$592,807	$586,979
Sources of Assets								
Pensions, benefits and settlements	68,505	-	-	-	-	-	68,505	75,668
Assets acquired upon appointment	-	-	-	17,159	15,105	37,040	69,304	68,011
Investment income	12,142	1,770	2,622	2,618	-	-	19,152	18,035
	80,647	1,770	2,622	19,777	15,105	37,040	156,961	161,714
Disposition of Assets								
Cash distributions to clients and beneficiaries	(71,568)	-	-	-	-	-	(71,568)	(78,994)
Assets released to clients, beneficiaries and heirs	-	-	-	(7,736)	(1,362)	(17,505)	(26,603)	(38,507)
Payments for client care and maintenance (note 9)	(39,072)	-	-	-	-	-	(39,072)	(38,719)
Commissions and fees paid to the Public Guardian and Trustee Operating Account (note 10)	(11,687)	(215)	(371)	-	-	-	(12,273)	(12,910)
Professional services (note 11)	(5,652)	(51)	(82)	(233)	-	-	(6,018)	(6,896)
Assets purchased for clients	(1,501)	-	-	-	-	-	(1,501)	(5,498)
Taxes paid on behalf of clients	(2,798)	-	-	-	-	-	(2,798)	(3,407)
Unclaimed assets transferred to the British Columbia Unclaimed Property Society (note 12)	(2,576)	-	-	-	-	-	(2,576)	(1,978)
	(134,854)	(266)	(453)	(7,969)	(1,362)	(17,505)	(162,409)	(186,909)
Transfers and Reinvestment of Assets								
Transfers between investment funds	(2,545)	(3,703)	1,555	4,693	-	-	-	-
Proceeds from sale of assets	50,833	-	-	-	-	-	50,833	53,985
Recorded value of assets sold	-	-	-	(14,076)	(12,781)	(18,566)	(45,423)	(56,193)
	48,288	(3,703)	1,555	(9,383)	(12,781)	(18,566)	5,410	(2,208)
Adjustments to Fair Value (note 2 (e))	(7,371)	(298)	416	1,439	-	8,041	2,227	33,231
Closing Balances, at Fair Value	$357,287	$22,897	$46,416	$77,340	$6,394	$84,662	594,996	592,807
Add: Other Assets							1	1
Total Assets Held in Trust							$594,997	$592,808

The accompanying notes are an integral part of these financial statements.

Public Guardian and Trustee of British Columbia
Estates and Trusts Administered
Notes to Financial Statements
For the Year Ended March 31, 2005
($ in thousands)

1. Reporting Entity

The Public Guardian and Trustee operates under the *Public Guardian and Trustee Act* and other provincial statutes to uphold the legal rights and safeguard the financial interests of adults who are not capable of managing their own affairs, deceased persons' estates which have no other person willing and able to act for them, estates of missing persons and children in receipt of settlement funds, insurance policy proceeds or money from estates.

These statements reflect the financial position and activity for the estates and trusts administered by the Public Guardian and Trustee. Separate financial statements have been prepared for the Public Guardian and Trustee Operating Account which report the revenues, expenses and capital expenditures of the Public Guardian and Trustee.

2. Significant Accounting Policies

(a) Basis of Accounting

Management has prepared these financial statements in accordance with Canadian generally accepted accounting principles.

(b) Asset Valuations

Assets, excluding other financial assets and other assets, are valued at fair value at year end.

Fair value is defined as "the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act".

The fair value for premium money market fund, balanced income fund, balanced growth fund and other investments and securities is determined from information obtained from investment service providers.

The fair value for real property is based on the most recent British Columbia Assessment Authority property assessment. Where this value is not available or management believes that it does not reflect fair value, it may be determined from professional appraisals.

The value for other financial assets is determined using the fair value at the date of appointment adjusted for subsequent transactions because there is no practical and cost effective way to update to fair value at year end.

Other assets are valued at a nominal value of $1 because the fair value for these assets is not readily determinable. Other assets include jewelry, collectibles, vehicles and effects.

(c) Mortgages and Loans Payable Valuations

Mortgages and Loans Payable are valued at book value due to these amounts being immaterial.

(d) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions in determining the reported amounts. Management determines the value of assets from information obtained from external sources it believes to be reliable. The more significant uncertainties occur in determining the value of other financial assets.

(e) Adjustments to Fair Values

The adjustments to fair value represent unrealized gains and losses on client assets at year end.

(f) Management of Funds and Investments

As a fiduciary, the Public Guardian and Trustee is responsible for managing the assets owned by each estate and trust under his authority. The Public Guardian and Trustee must exercise the care, skill, diligence and judgement of a prudent investor for his clients.

Under Section 12 of the *Public Guardian and Trustee Act*, the Public Guardian and Trustee is permitted to create common funds within the trust fund account. The Public Guardian and Trustee has established three common funds called the premium money market fund, the balanced income fund and the balanced growth fund. The premium money market fund holds short and medium term fixed income investments and is used for day to day receipts and disbursements of all clients. The balanced income fund and the balanced growth fund hold investments which are appropriate for clients with longer term investment horizons.

Under Section 13 (1) of the *Public Guardian and Trustee Act*, the Public Guardian and Trustee is permitted to make separate investments for clients if the money is subject to an express trust or direction for investment or it is, for any other reason, in the best interests of the client to do so. Other investments and securities include separate investment portfolios and registered plans which are established or maintained for clients according to their investment profile.

The three common funds are managed by BC Investment Management Corporation, an independently managed Crown corporation. Other investments are managed by private investment management firms.

3. Premium Money Market Fund

	2005	2004
Cash and short term investments	$232,616	$240,936
Bond investments	124,671	129,641
	$357,287	$370,577

Earnings on the premium money market fund are paid as interest each month to client trust fund accounts based on their closing daily balances. The annual effective yield for the year ended March 31, 2005 was 3.5% (2004: 3.9%).

4. Balanced Income Fund

	2005	2004
Cash and short term investments (overdraft)	$(215)	$(182)
Canadian bonds	1,723	1,619
Pooled funds	21,389	23,957
	$22,897	$25,394

The balanced income fund is a unitized pool of investments; units in this fund are valued monthly. The rate of return for the year ended March 31, 2005 was 6.6% (2004: 20.5%).

5. Balanced Growth Fund

	2005	2004
Cash and short term investments (overdraft)	$(880)	$(1,125)
Pooled funds	47,296	43,401
	$46,416	$42,276

The balanced growth fund is a unitized pool of investments; units in this fund are valued monthly. The rate of return for the year ended March 31, 2005 was 6.8% (2004: 23.7%).

6. Other Investments and Securities

	2005	2004
Investment portfolios	$49,295	$40,289
Registered plans	10,662	10,226
Other investments and securities	17,383	22,961
	$77,340	$73,476

Due to these numerous and individual client investments, it is impractical to reflect the aggregate rate of return on these investments.

7. Other Financial Assets

Other financial assets include funds in numerous and varied external accounts and amounts receivable.

8. Real Property

Real property includes land, buildings and manufactured homes. Approximately 6% of properties are located outside of British Columbia and in foreign countries.

9. Payments for Client Care and Maintenance

Client care and maintenance costs are paid for goods and services purchased for clients and for personal living expenses, including payments to care facilities.

10. Commissions and Fees Paid to the Public Guardian and Trustee Operating Account

Commissions and fees are paid by clients for services provided by the Public Guardian and Trustee in accordance with the *Public Guardian and Trustee Fees Regulation* as provided for under the *Public Guardian and Trustee Act*.

11. Professional Services

Professional services are payments by clients for services such as accounting, legal, investment management, custodial, funeral and property management.

12. Unclaimed Assets Transferred to the British Columbia Unclaimed Property Society

Unclaimed assets are transferred quarterly to the British Columbia Unclaimed Property Society when they are deemed inactive by the Public Guardian and Trustee under Section 27.1 of the *Public Guardian and Trustee Act*.

13. Comparability with the Public Guardian and Trustee Operating Account

The financial statements for both the Estates and Trusts Administered by the Public Guardian and Trustee and the Public Guardian and Trustee Operating Account are prepared in accordance with Canadian generally accepted accounting principles. Separate accounting systems and processes are utilized by each of these reporting entities. Although each reporting entity has similar reporting standards, amounts paid or payable between the entities vary due to timing and collectibility differences.

14. Comparative Figures

In the Statement of Changes to Assets, the 2004 comparative figures for Assets acquired upon appointment and Assets released to clients, beneficiaries and heirs, have been restated to conform with the current year's presentation.

Public Guardian and Trustee Educational Assistance Fund: Angela

Each year, the PGT provides Public Guardian and Trustee Educational Assistance Fund bursaries to students who were formerly in the continuing care of the Province.

One such student is Angela, who grew up in Burnaby, BC and for the last several years has been attending Purdue University in Indiana. In 2005, Angela received her B.A. in Movement and Sports Sciences. In addition to her academic pursuits, Angela is co-captain of the Purdue track and field team and has been active in community service activities. Angela is now preparing for graduate school in the fall of 2005 in the Masters of Science Program of Pedagogy Administration. The PGT is pleased to provide assistance to Angela as she works towards achieving her educational and career goals.

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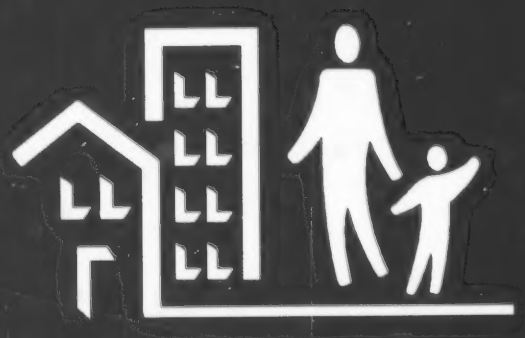

PUBLIC GUARDIAN AND TRUSTEE OF BRITISH COLUMBIA

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